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ABSTRACT

The need for the State of Illinois to create and implement a comprehensive plan for economic development has never been greater. The revitalization of the economy of the state can only be achieved through the implementation of a series of strategies designed to facilitate the restructuring of the economy to accommodate a 50 percent change of the job base every 5 years. Communities that have effectively organized economic development programs are in a better position to maximize the effectiveness of the transition from an industrially oriented to an informationally oriented society. Research conducted at Northern Illinois University shows the potential role that education can play in the economic development scenario. Based on this research, the best strategy apparently would be a coordinated plan made up of four regional economic development centers located in Chicago, Northern Illinois, Central Illinois, and Southern Illinois. As proposed, these regional economic development models would provide the maximum collaboration of commerce, industry, labor, education, and government and would build upon one of the major strengths of the state--its system of higher education. The facilitating and coordinating process model proposed would coordinate and maximize the use of scarce resources and facilitate communication among existing private and public agencies. (Models and transparency masters are included in the details for this economic development plan.) (KC)

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A PLAN FOR ECONOMIC DEVELOPMENT
IN THE STATE OF ILLINOIS -- AN EDUCATOR'S PERSPECTIVE

E. Edward Harris, Director
February 2, 1983

The need for the development of a long range plan for economic development has never been greater for the state of Illinois. John Naisbitt, a former White House staff member and author of Megatrends, in discussing the restructuring of America and the switch from an industrial to an information society said:

In an industrial society, when your company looks for a place to locate, you have to look for the infrastructure--water, transportation and so forth. But with the new kind of companies we're building today, you don't need the infrastructure: You put your facility anyplace. You look instead for the ambience, for the quality of life. That's why Michigan and Minnesota are going to have a tough time competing with the Southwest and Florida. The trend is north to south, and I think it's irreversible in our lifetime. What's happening is that about 90 percent of the growth in this country is occurring in the Southwest and Florida. I'm talking here about the southwest quadrant: If you move along the top of California, Nevada, Utah, Colorado and then come down and go out a little bit and pick up Texas--that quadrant plus Florida is where all the momentum is. If you take Texas, Florida and California, that's about 60 percent of the growth--those three megastates. From a marketing point of view, you could take those three states and let someone else take the 47 other states, and you'd beat them because of size and the tremendous momentum.

This need is also highlighted by research conducted at Brookings Institute, Harvard, Massachusetts Institute of Technology, Northeast-Midwest Institute, and The Urban Institute. The implications of research conducted at both the Massachusetts Institute of Technology and Brookings Institute on job creation need to be carefully analyzed by policy-makers. The Massachusetts Institute of Technology Research shows that 50 percent of the jobs in a given area change every five years and that 80 percent of the replacement jobs are created by firms with 100 or fewer employees, and that 89 percent of the newly created jobs are in the service sector. However, the research conducted at the Brookings Institute shows that a significant portion of the growing, small establishments are branches of

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subsidiaries of large firms. "In fact, nearly half of the establishments with 20 to 99 employees are owned or controlled by larger firms." This means that, in general, the net employment growth contributions of both small and large businesses appear nearly proportional to their respective shares of the labor force.

Brookings Institute offers the following recommendations in planning for economic development.

Although the increase in employment attainable through the location of a large branch of a major firm is attractive, such occurrences are relatively rare and unlikely to provide the jobs needed for economic revitalization or survival. Furthermore, larger firms have the financial and managerial resources to shift their focus to expanding industries and regions while curtailing operations in declining areas. Thus, an obvious note of caution is due against over-reliance on large multi-location firms as a foundation for long-term economic development.

CHANGING JOB BASE AND JOBS

Dr. David Birch, Massachusetts Institute of Technology, believes that the "Thoughtware Revolution" of the late 1900s may well be as significant to the quality of life in the United States as the Industrial Revolution was in the early 1800s. His research shows that every place in the country has to replace about 50 percent of its job base every five years.

It is also important to note that research reported by The Urban Institute shows that less than one percent of the annual employment change is due to relocation of commerce and industry. Therefore, the 50 percent job change in a given community or region must by necessity be responded to by economic development personnel and agencies located in that geographic area. The following statements by Dr. Birch further support the proposed comprehensive model for economic development. Dr. Birch, in discussing the strategies for reversing economic problems in the Midwest, states:

I'd think a lot about the needs of smaller knowledge-based business here. I'd particularly worry about higher education and providing a very well-trained labor force. In a knowledge-base, brains will be our chief resource without question, and everything you can do to promote that would be by far the most important.

In discussing the jobs of the future, Professor Wickham Skinner of the Harvard Business School states that the number of robots will grow from a few thousand today to an estimated 100,000 by 1990, and the number of electronic work stations from four million to 30 million. As a result,

says Skinner, "in a five- to 15-year period profound and dramatic changes will occur in factories and many service operations."

It isn't just the speed and efficiency of computers that will revolutionize work, it's the way "the computer fundamentally changes the relationship between a worker and his task," says another Harvard Business School professor, Shoshanah Zuboff, who specializes in the effects of technology on work. "Work becomes abstract, the electronic manipulation of symbols."

The U. S. Bureau of Labor Statistics projects that overall, jobs will be plentiful. An occupational outlook just published by the Bureau of Labor Statistics predicts that the labor force will grow from 105 million in 1980 to somewhere between 122 million and 128 million in 1990, depending on the health of the economy. Within this growing work force, the shifts will be enormous. Neal Rosenthal, director of the BLS occupational outlook division, finds there already is "unbelievable movement" from job to job.

While they find it difficult to get too specific, most government and private-industry experts do agree that the biggest future job growth will come in two general areas: information, and what is commonly termed "conservation." Information will include computers, robotics, biotechnology and transmission technologies such as laser and fiber optics. Conservation will include both the human and ecological kinds, from health care to already established conservation efforts such as solar energy, more efficient use of raw materials and waste disposal. The Labor Department's list of the fastest-growing job titles is illustrative of those trends. Of the top 12 occupations, five are in information or information-related fields: computer-service technicians, systems analysts, business-machine repairmen and computer programmers and operators. With Americans living longer and increasingly concerned with good health, experts anticipate tremendous growth in such fields as occupational and physical therapy and speech pathology, as well as medical and dental programs administered by nurses and technicians rather than doctors.

There also will be rapid growth in occupations that barely exist today. Genetic-engineering technicians and bionic-medicine specialists are expected to account for 450,000 jobs by 1990, while the number of laser-process and robot-production technicians may reach more than 1 million. But college students preparing for more "conventional" careers still have reason to hope. Several professions will continue to be a source for jobs in the 1980s: petroleum engineering, medicine, law, banking. Honorable professions all--but suddenly sounding a bit old-fashioned when compared with many of the new skills that will be needed to manage and service an extraordinary new technological age.

CRUCIAL ROLE OF EDUCATION AND TRAINING

Education, training, and retraining is the key to any plan for economic development. We have focused our attention in the past on young and disadvantaged workers, but now it is absolutely necessary to focus our attention on the whole work force," says Pat Choate, a senior policy analyst for TRW Inc., in Washington. The U.S. is already spending about \$40 billion a year on job training--\$30 billion by corporations, \$5 billion by states and localities, and \$4 billion by the federal government.

The following statements from a research study conducted by the Northeast-Midwest Institute further support this belief.

American workers face an uncertain economic future. Technology and foreign trade are making millions of existing jobs obsolete. The academic and functional skills of most workers are too antiquated for the new replacement jobs that already are emerging. Neither business nor government is adequately prepared to help workers with retraining or adjustment assistance. In sum, America needs, but lacks, a national training strategy.

The absence of such a strategy is a major barrier to America's economic renewal. Thus we are overlooking critical means to generate economic growth and strengthen the competitiveness of the U.S. economy--namely, improving the quality of the performance of the American work force. Yet, investment in workers is as essential to national economic renewal as investment in improved land, equipment, and technology. After all, more complex machines and more sophisticated technologies require better trained workers.

The 1982 Northeast-Midwest Institute Report entitled, The Retooling of the American Work Force, identified the following critical issues relative to economic development and training.

- * Public- and private-sector programs have little interaction, causing missed opportunities and creating unnecessary costs.
- * Although there are 22 separate programs to assist the nation's displaced workers, they operate independent of each other and help only a miniscule portion of those workers who are displaced.
- * There is no clear allocation of responsibilities for employment and training policies between and within the individual levels of government.
- * The public training programs that do exist serve less than 8 percent of the population.

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- * The lack of programs to either identify or fill critical technological skills shortages.
- * Public incentives overwhelmingly favor capital and technology investments over worker training as a route to productivity growth.
- * Throughout the 1980s, two of every three new workers will be women, yet virtually no sector of our society--business, government, religious, academic, or public interest--is integrating women into the work force effectively.
- * Large numbers of workers who possess critical technological skills are retiring, and replacements are not being trained.
- * The most productive age group--the 25- to 44-year-old workers--will comprise over 54 percent of the American work force by 1990; these workers can make an impressive contribution to economic renewal, but only if their skills can be upgraded or they can be retrained.

The conclusion of the report of the Northeast-Midwest Institute clearly identifies the problem.

Economic renewal must be the fundamental goal of American domestic policy (at all levels) for the balance of this century. In the debate over how to generate economic growth and strengthen the competitiveness of U.S. industry, one critical means of restoring productivity growth often is overlooked: Improving the quality of the performance of the American work force.

Even if the nation relies primarily on increased capital investment and technological innovation for achieving productivity gains, advanced technologies and complex machines require highly skilled workers. Indeed, investment in American workers is as crucial to economic renewal as investment in improved plant, equipment, and technology.

At this critical juncture in America's economic life, it is both necessary and possible to use America's human capital as a major resource for economic renewal. However, if this is to happen, substantive reform of the nation's employment and training policies, institutions, and programs is required. Such reform involves more than tinkering with existing policies, but less than wholesale change. It calls for a comprehensive, unified approach to employment and training policy that effectively and coherently coordinates efforts by all levels of government, the private sector, and workers.

RECOMMENDATIONS

Any plan for economic development in the state of Illinois to be successful, must include provisions to design and test a number of short- and long-term strategies for effectively responding to the 50 percent change in the job base that is going to take place every five years. These recommendations are based on the following eight premises:

- * There are regional economic development needs and differences in the state that can in most cases be addressed most effectively on a local or regional basis,
- * Declining productivity and inability of business and industry to expand and implement new technology is a most crucial problem,
- * The increase in business failures must be stopped.
- * Economic development personnel, if given the proper education and tools, can serve as an effective "marketing team",
- * The replacement of 50 percent of the jobs in a given area in a five-year period of time will not take place without effective private and public sector cooperative arrangements on a local and regional basis,
- * Decision-makers in commerce and industry must have accurate economic and labor market data,
- * Education, at all levels, has a key role to play in the total economic development scenario in the state of Illinois and needs to make a commitment to economic development,
- * Universities must make a commitment to utilize a portion of their research and development capabilities in addressing economic development issues and concerns.

The following six recommendations should be implemented at the earliest date:

1. The economic development model that has been functioning at Northern Illinois University this past year, entitled The Northern Illinois Regional Economic Development and Human Resources Consortium--A Marketing Strategy Approach, should continue to receive the support of The Commission of Economic Development and other private and public sector agencies. This regional model which is designed to bring about the cooperation of education, human resource, and economic development agencies at all levels is already beginning to yield significant results. See Exhibit B for the proposed process model organizational chart. The possible long term implications for this research and development activity are significant. Three additional regional models which bring about collaborative efforts of commerce, industry, education, and labor should be formed and supported at University of Illinois, University of Illinois-Chicago Circle, and Southern Illinois University. These institutions were selected because of their research capabilities and location.

This regional economic development model is built upon the belief that economic development begins with a knowledgeable and competent local economic development commission and staff. The retention and expansion plan of the economic development commission has been carefully designed. The staff is fully aware of the marketing plans and programs that each of the educational and human resource agencies have available. Community colleges should serve as the brokers of training in their geographic area, universities provide research and technical assistance support, and elementary and secondary schools provide career education, economic education and preparation for entry level jobs. The major objectives of these regional economic development centers should be:

- * To promote avenues of partnership between and among education, business, industry, labor, government and community based agencies so as to foster and strengthen regional economic and human resources to improve the business and economic conditions in the area,
- * To utilize a wide array of research strategies in facilitating commerce and industry in retention and expansion efforts,
- * To provide commerce and industry decision-makers with both economic forecasting and labor market data on a regular basis to assist them in strategic planning,
- * To coordinate the design and implementation of educational programs that match the human resource needs of business and that maximize the scarce resources of business, labor, education and government,
- * To design and employ innovative strategies of serving the human resource and technical service needs of commerce and industry, particularly in those industries and occupational areas where there are labor market shortages.

- * To design and deliver alternative methods of human resource development including the providing of short term customized training for commerce and industry,
- * To explore, create and promote cooperative planning efforts which will facilitate the development and implementation of effective economic and human resource development strategies at all levels--local, regional and state,
- * To design and implement an administratively effective structure that will allow for a managable coordination of a large number of agencies involved in providing economic development and human resource development programs.

Listed below are examples of activities which should be performed by these regional economic development centers:

- A. Train local economic development commission chairpersons, staff, and their committee members. The training program would include topics such as the following:
 - * Marketing
 - * Prospects and Prospecting
 - * Financing
 - * Site Location
 - * Transportation
 - * Utilities
 - * Promotion
 - * Utilization of Labor Market and Economic Data
 - * Community Planning
- B. Utilize marketing research strategies to assist communities to determine their competitive advantages. Special emphasis needs to be placed on how to market the strengths of a given region of the state because one of the greatest needs of both economic development personnel and individuals from business and industry is how to use effective strategies in marketing their communities, products, and services.
- C. Conduct a series of marketing oriented seminars on how to utilize effective strategies in selling local communities and their products and services. The focus group marketing research technique will be used during the seminars to develop strategies on topics such as:
 - * How to Capitalize on Increases in Defense Spending?
 - * How to Increase International Trade?
 - * How to Increase Sales of Agricultural Products?

* What Can Be Done to Help Make Industry as Profitable in the Northern Illinois Area As It Is In The Sun Belt States? (A Management and Labor Dialogue)

* What is the Role of Agri-Business in Illinois Economic Development? (A Dialogue for Cooperative Arrangements)

- D. Train educational institutions in the marketing of their training programs to commerce and industry.
- E. Determine the role and function of the University in economic development; special emphasis to be placed on how to best utilize the computerized FRATS (The Faculty Research Assistance to States program)
- F. Utilize a wide array of research strategies in facilitating commerce and industry in retention and expansion efforts.
- G. Provide commerce and industry decision-makers with regional economic forecasting data on a regular basis to assist them in strategic planning.
- H. Explore, create and promote cooperative planning efforts which will facilitate the development and implementation of effective economic and human resource development strategies at all levels--local, regional and state.
- I. Design and employ innovative strategies of serving the human resource and technical service needs of business, industry and agriculture particularly in those industries and occupational areas where there are labor market shortages.

2. A small business development center should be established at the earliest possible date and funds to match the U.S. Small Business Administration contribution should be provided through a special appropriation. This small business development center should be established as a state-wide consortium made up of the same universities as are involved in the four regional economic development centers, proposed in recommendation number one. The small business development center consortium would also issue sub-contracts to other educational institutions and agencies in the state. Currently there are 19 states who are participating with the U.S. Small Business Administration in the establishment of a network of centers to provide management assistance through universities to small business owners. Specifically, the small business development centers are designed to:

- * Serve as one of several area contact points for small business owners and managers seeking assistance;
- * Provide and coordinate a range of instructional and consultation services for area businesses, including pre-business consulting and courses, management development seminars and workshops, self-instructional packages, group and individual problem solving sessions, as well as on-site consulting;
- * Serve as an educational clearing house that will identify, collect, and maintain a variety of print resources useful to the small business owner or manager, including self-help materials, SBA pamphlets, government publications, etc.;
- * Develop and maintain a comprehensive list and description of resources available within the area to assist small business persons;
- * Maintain adequate physical facilities to support individual counseling, group meetings, conferences, and workshops.

The SBDC is not designed to duplicate existing programs and services offered by such agencies as the Service Corps of Retired Executives (SCORE) or the Small Business Administration. Rather, the SBDC was designed to further develop and supplement the existing network of business assistance programs.

3. The Department of Commerce and Community Affairs should intensify their efforts to provide decision-makers in commerce and industry with comprehensive and accurate regional and state economic and labor market data. The Labor Market Service project should be expanded to include provisions for the training of local and regional economic development personnel and individuals responsible for economic development in educational institutions on the effective utilization of labor market information in economic development.

Similarly, the Faculty Research Assistance to the State (FRATS) project should be fully implemented at the earliest possible date so that decision-makers in commerce and industry will have ready access to the research capabilities of faculties in the State of Illinois.

4. The Illinois Board of Higher Education and the Illinois State Board of Education should provide the financial incentives necessary for education at all levels to make their appropriate contribution to economic development. Quality educational programs and activities such as career education, economic education, vocational education, customized

training, research and technical assistance, need to be encouraged and a commitment secured because economic development does begin at home. Exemplary efforts should be both recognized and rewarded.

5. The Department of Commerce and Community Affairs and The Illinois Board of Higher Education should jointly support programs for the education and training of economic development personnel. A pilot graduate level program in economic development should be offered on an alternating Friday and Saturday basis similar to the structure of an executive M.B.A. program. Courses in the program would include:

- * Land Use Planning
- * Location Analysis
- * Geographic Information Systems
- * Seminar in Economic Development
- * Graduate Survey of Marketing
- * Financing the Business Enterprise
- * Principles of Business Organization
- * Public Relations for Economic Development Personnel
- * Additional Courses in Governmental Studies, Geography and Business

This concentrated program would enable Illinois economic development personnel to achieve in approximately one year what it now takes four years or more to learn in Oklahoma.

Similarly, they should support research and development activities designed to provide economic development personnel with the tools they need to perform their assignments, such as:

- * A model for forecasting business success and failure, based on weighted financial ratios to improve expansion and retention efforts,
- * A micro-computer software package that would compute the cost of doing business in a given community and aid local economic developers in working with prospective businesses,
- * Market segmentation research data to assist in determining the most important location characteristics desired by commerce and industry in the two fields with the greatest potential for growth in the next two decades: information, and conservation,
- * A computerized system for determining the needs of older workers and a competency-based, cost-effective model for pre-retirement training.

6. A task force made up of representatives from commerce, industry, labor, education and government should be established to achieve the following objectives:

a. Develop joint programs between education and commerce and industry to provide a sharing of laboratory facilities and cooperation in evaluation of new instrumentation and techniques developed by commerce and industry.

b. Encourage education and commerce and industry to work to establish cooperative graduate education programs which will permit the students enrolled in high technology training programs to work in interested commerce and industry concerns, and also develop programs to permit present employees of the involved organizations to acquire the needed formal training for the specific high technology effort.

c. Re-examine higher education policies to encourage faculty members along with their graduate students to participate in the organization and conduct of small businesses in areas of high technology as deemed appropriate.

d. Provide university assistance--through curriculum development, counseling, and laboratory facilities--to community colleges and area vocational centers involved in high tech training.

e. Investigate ways that universities can enter into joint research projects with commerce and industry without requiring industries to forfeit their need for patenting rights.

f. Encourage commerce and industry to look first at local educational agencies before seeking consultants from other geographic regions.

CONCLUSIONS

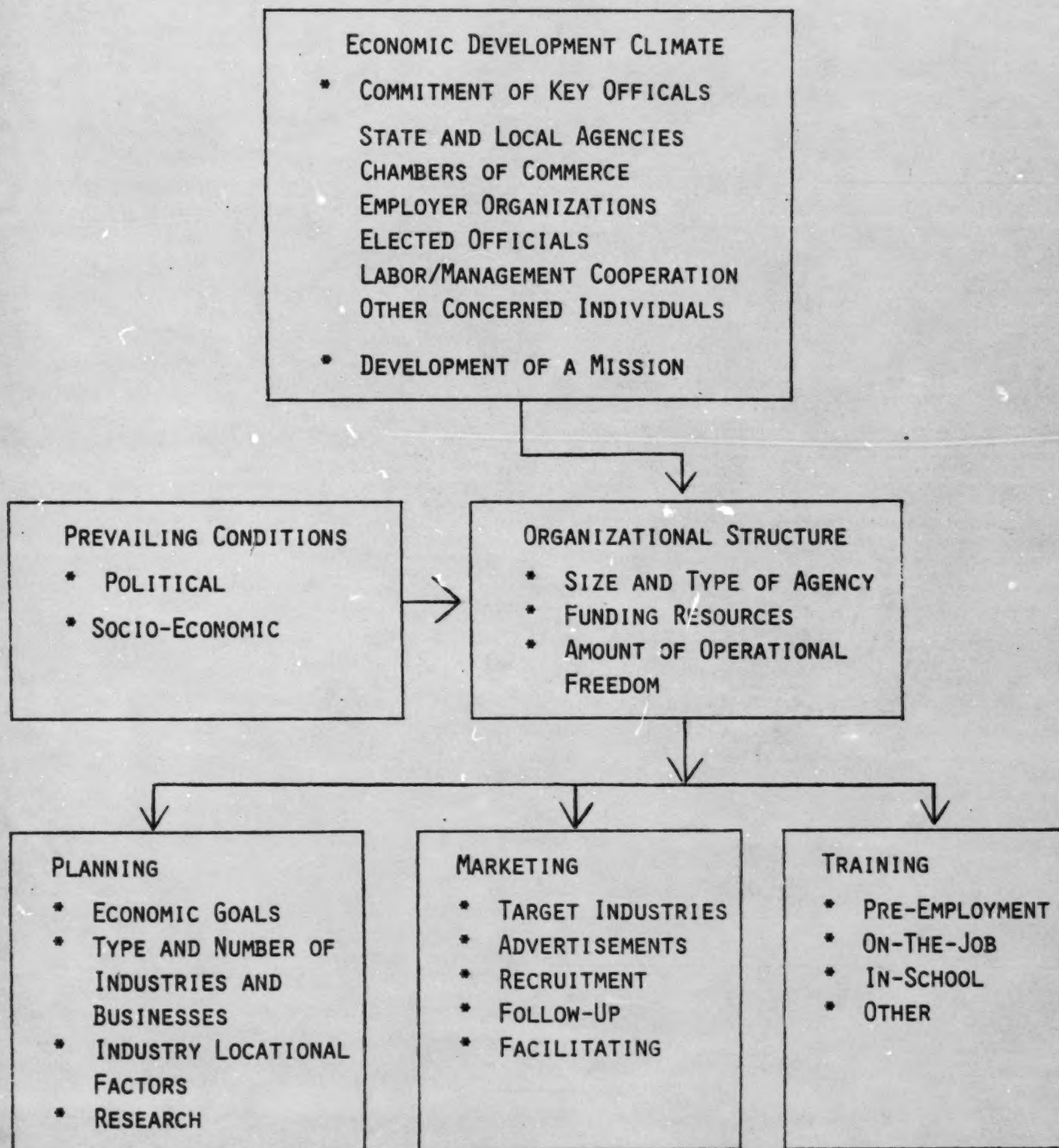
The need for the state of Illinois to implement a comprehensive plan for economic development has never been more evident. The revitalization of the economy in the state of Illinois can only be achieved through the implementation of a series of strategies designed to facilitate the restructuring of the economy to accommodate a 50 percent change of the job base every five years. Communities which have effectively organized economic development programs are in a much better position to maximize the effectiveness of the transition from an industrially-oriented to an informationally-oriented society. Research conducted at Northern Illinois University shows the potential role that education can play in the economic development scenario. Exhibit A contains a diagram on how to organize for economic development and lists the role of education in economic development at various levels.

Based on research conducted at Northern Illinois University the past 18 months, it appears that the best strategy would be a coordinated plan made up of four regional economic development centers located in Chicago, Northern Illinois, Central Illinois and Southern Illinois. As proposed, these regional economic development models would provide the maximum collaboration of commerce, industry, labor, education and government, and

would build upon one of the major strengths of the state - its system of higher education. The facilitating and coordinating process model proposed would coordinate and maximize the utilization of scarce resources and facilitate communication between and among existing private and public sector agencies. The plan does not call for the creation of any new agencies. Exhibit B is a diagram showing the agencies involved and the process for education to interact with commerce, industry, labor, and government and to serve as a catalyst in collaborative efforts that can effectuate economic revitalization in the state of Illinois. It is important to note that in this model the prime responsibility for initiating economic development activities rests with a local economic development director or commission. Exhibit C graphically portrays that the key to the state of Illinois' plan for economic development is four university-based centers serving the unique regional needs in the state.

EXHIBIT A

ORGANIZING FOR ECONOMIC DEVELOPMENT



ROLE OF PUBLIC ELEMENTARY AND SECONDARY SCHOOLS IN ECONOMIC DEVELOPMENT
AS PERCEIVED BY SCHOOL ADMINISTRATORS

1. HELP STUDENTS IN CAREER DEVELOPMENT PROCESS
2. HELP STUDENTS AND TEACHERS TO ACQUIRE ECONOMIC LITERACY
3. HELP STUDENTS TO ACQUIRE SURVIVAL SKILLS SUCH AS PERSONAL-LIFE SKILLS, PERSONAL AND INTERPERSONAL RELATIONSHIPS, INFORMATIONAL SKILLS, RESOURCE MANAGEMENT, SOCIAL SYSTEM SKILLS, TECHNOLOGICAL LITERACY, SAFETY, ETC.
4. HELP STUDENTS TO ACQUIRE EMPLOYABILITY SKILLS--ENTRY LEVEL AND UPGRADING
5. INFORM AND SECURE SUPPORT OF ADMINISTRATORS WHO IN TURN WILL INFORM TEACHERS, STUDENTS, AND PARENTS OF THE IMPORTANCE OF ECONOMIC DEVELOPMENT TO A COMMUNITY
- * 6. CREATE AN EFFECTIVE PUBLIC RELATIONS PROGRAM ON THE CONTRIBUTIONS OF EDUCATION TO THE "QUALITY OF LIFE" AND MARKET THIS PROGRAM TO CURRENT AND PROSPECTIVE BUSINESS EXECUTIVES AND THEIR FAMILIES
- * 7. MAKE BUSINESS AND INDUSTRY PARTNERS IN EDUCATION BY ACHIEVING AN EFFECTIVE DIALOGUE WITH LEADERS IN BUSINESS AND INDUSTRY AND SECURE THEIR SUPPORT IN COMMUNICATING EDUCATIONAL ACCOMPLISHMENTS AND IN GAINING LEGISLATIVE SUPPORT
8. HELP STUDENTS ACQUIRE BASIC SKILLS

ROLE OF COMMUNITY COLLEGES IN ECONOMIC DEVELOPMENT AS PERCEIVED BY
COMMUNITY COLLEGE ADMINISTRATORS

1. COMMUNITY COLLEGES ARE SEEN AS A PLUS TO A COMMUNITY WHEN ATTEMPTING TO ATTRACT NEW BUSINESS AND INDUSTRY
2. COMMUNITY COLLEGES PROVIDE A LABOR POOL AS WELL AS TRAINING RESOURCES
3. COMMUNITY COLLEGE STAFF ARE ACTIVE IN CHAMBERS, COMMITTEES AND CIVIC PROJECTS
4. COMMUNITY COLLEGES PROVIDE STRONG ADVISORY COMMITTEE MEMBERS TO THE LOCAL CHAMBERS OF COMMERCE
- * 5. COMMUNITY COLLEGES HELP MARKET THE LOCAL LABOR, COMMUNITY PROJECTS, BUSINESS AND INDUSTRIES
6. COMMUNITY COLLEGES PROVIDE A PLACE FOR MEETINGS AND ACTIVITIES OF THE COMMUNITY
7. COMMUNITY COLLEGES WORK TO PROVIDE AND MAINTAIN WHAT BUSINESS AND INDUSTRY SEE AS ESSENTIAL TO A COMMUNITY:
 - LEISURE TIME ACTIVITIES TO ATTRACT QUALITY EMPLOYEES
 - A CONSULTANT POOL WITHIN A CLOSE AREA
8. SOME COMMUNITY COLLEGES ARE BEGINNING TO OFFER WRITING AND TECHNICAL ASSISTANCE IN GRANT PREPARATION

SPECIFIC EXAMPLES OF HOW COMMUNITY COLLEGES HELP IN THE ECONOMIC DEVELOPMENT PROCESS

- * PROVIDING FULL-TIME ASSOCIATE DEGREE AND VOCATIONAL DIPLOMA PROGRAMS THAT ARE TECHNICALLY CURRENT AND IN DEMAND;
- * PROVIDING IN-PLANT TRAINING FOR WORKERS ALREADY EMPLOYED BY EXISTING INDUSTRY;
- * PROVIDING PRE-EMPLOYMENT TRAINING THAT IS CONDUCTED FOR PROSPECTIVE EMPLOYEES BEFORE A NEW PLANT OPENS OR AN EXISTING ONE EXPANDS OR RELOCATES;
- * PROVIDING RETRAINING OF EMPLOYEES TO UPDATE THEM FOR CHANGES RESULTING FROM TECHNOLOGICAL INNOVATIONS;
- * PROVIDING TRAINING PROGRAMS, COURSES, AND SEMINARS TO AID BUSINESS OWNERS/ MANAGERS IN THE MARKETPLACE;
- * EXPANDING AND UPGRADING EMPLOYMENT OPPORTUNITIES BY PROVIDING TECHNICAL ASSISTANCE TO BUSINESS AND INDUSTRY;
- * PROVIDING TRAINING AND SUPPORT SERVICES TO INVENTIVE, CREATIVE, AND/OR INNOVATIVE ENTREPRENEURS;
- * MAKING THE EXISTING DATA BASE AVAILABLE FOR LOCAL BUSINESS AND INDUSTRY AS A CENTRAL SOURCE FOR REFERRALS AND ASSISTANCE

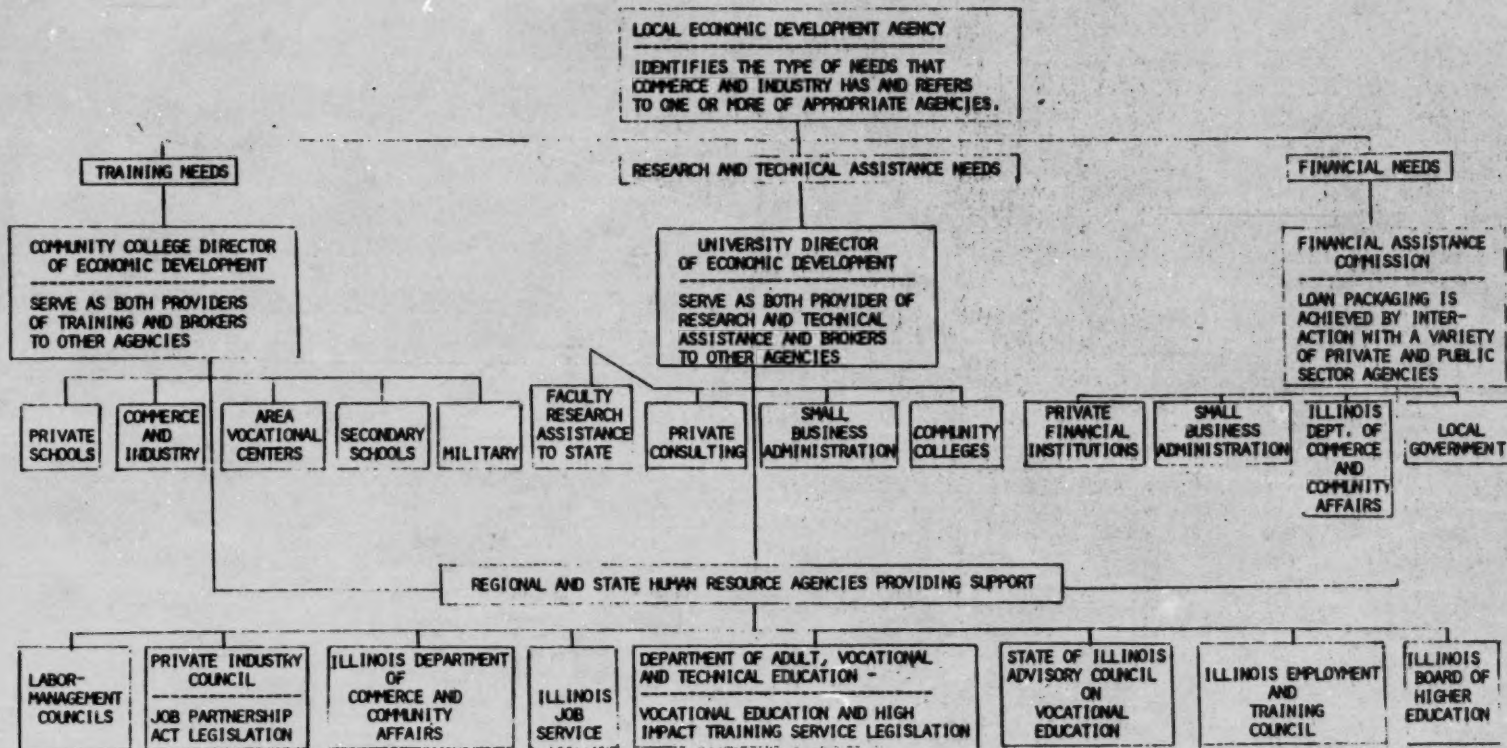
ROLE OF NORTHERN ILLINOIS UNIVERSITY IN ECONOMIC DEVELOPMENT
(TENTATIVE PLANS)

1. CONDUCT AND DISSEMINATE THE RESULTS OF A WIDE ARRAY OF RESEARCH AND DEVELOPMENT PROJECTS AND ACTIVITIES
2. CONDUCT EDUCATION AND TRAINING ACTIVITIES AT JOB LEVELS ABOVE THOSE NORMALLY ASSOCIATED WITH COMMUNITY COLLEGES AND SECONDARY SCHOOLS
- * 3. HELP PROVIDE THREE LEVELS OF TRAINING AND EDUCATION FOR LOCAL, REGIONAL AND STATE ECONOMIC DEVELOPMENT PERSONNEL
4. MATCH THE RESEARCH AND TECHNICAL ASSISTANCE CAPABILITIES OF FACULTY AND STAFF WITH THE NEEDS OF BUSINESS AND INDUSTRY
5. HELP MAKE AVAILABLE THE STAFF AND FACILITIES OF THE UNIVERSITY TO SERVE THE NEEDS OF BUSINESS AND INDUSTRY ON A COST RECOVERY BASIS
6. IDENTIFY AND DISSEMINATE THE TRAINING, EDUCATION AND FACILITY CAPABILITIES OF BOTH PRIVATE AND PUBLIC SECTOR THAT COULD BE MADE AVAILABLE IN MEETING THE HUMAN RESOURCE NEEDS OF BUSINESS AND INDUSTRY
- * 7. EXPLORE INNOVATIVE COST-SHARING STRATEGIES BETWEEN AND AMONG PRIVATE AND PUBLIC SECTOR AGENCIES WITH TRAINING, EDUCATION AND RESEARCH CAPABILITIES

8. CONDUCT AND DISSEMINATE LABOR MARKET DATA AND TRAIN ECONOMIC DEVELOPMENT AND OTHER PERSONNEL IN HOW TO UTILIZE
- * 9. PROVIDE QUARTERLY REGIONAL ECONOMIC FORECASTING DATA AND CONDUCT TRAINING IN HOW TO UTILIZE
- * 10. PROVIDE TRAINING FOR EDUCATORS ON HOW TO "MARKET" THEIR SERVICES
11. HELP PROVIDE THE TEACHER EDUCATORS AND TECHNICAL ASSISTANCE TRAINING AND EDUCATION DESIRED BY PUBLIC SCHOOLS AND COMMUNITY COLLEGES IN AREAS SUCH AS ECONOMIC EDUCATION, CAREER EDUCATION, VOCATIONAL EDUCATION AND IN HELPING TO RETAIN AND SECURE BUSINESS AND INDUSTRY
12. EXPLORE INNOVATIVE STRATEGIES AND DELIVERY SYSTEMS FOR SERVING THE CUSTOMIZED TRAINING AND TECHNICAL ASSISTANCE NEEDS OF BUSINESS AND INDUSTRY--FRATS, LINDA HALL LIBRARY, BEAMED SATELLITE TRAINING PROGRAMS
13. CO-SPONSOR AND CONDUCT SEMINARS AND CONFERENCES THAT WOULD ASSIST IN FOSTERING ECONOMIC DEVELOPMENT IN THE REGION
- * 14. DESIGN AND IMPLEMENT AN ADMINISTRATIVELY-EFFECTIVE "MODEL" ON A REGIONAL BASIS THAT WILL ALLOW FOR THE MANAGEABLE COORDINATION OF A LARGE NUMBER OF ACTIVITIES AND AGENCIES INVOLVED IN ECONOMIC DEVELOPMENT

EXHIBIT B

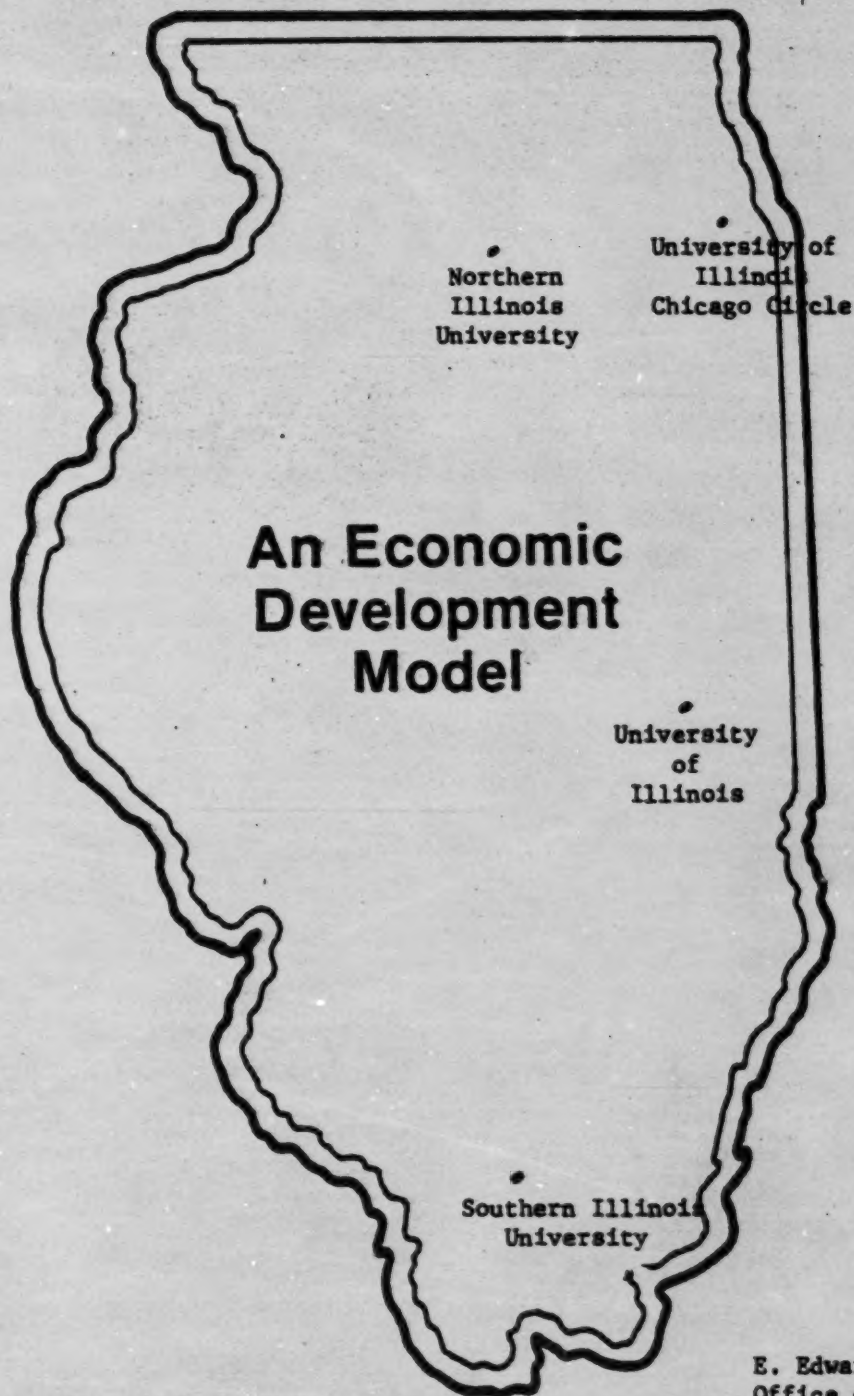
ROLE OF EDUCATION IN THE ECONOMIC DEVELOPMENT PROCESS



- E. EDWARD HARRIS
FEBRUARY 1, 1983

EXHIBIT C

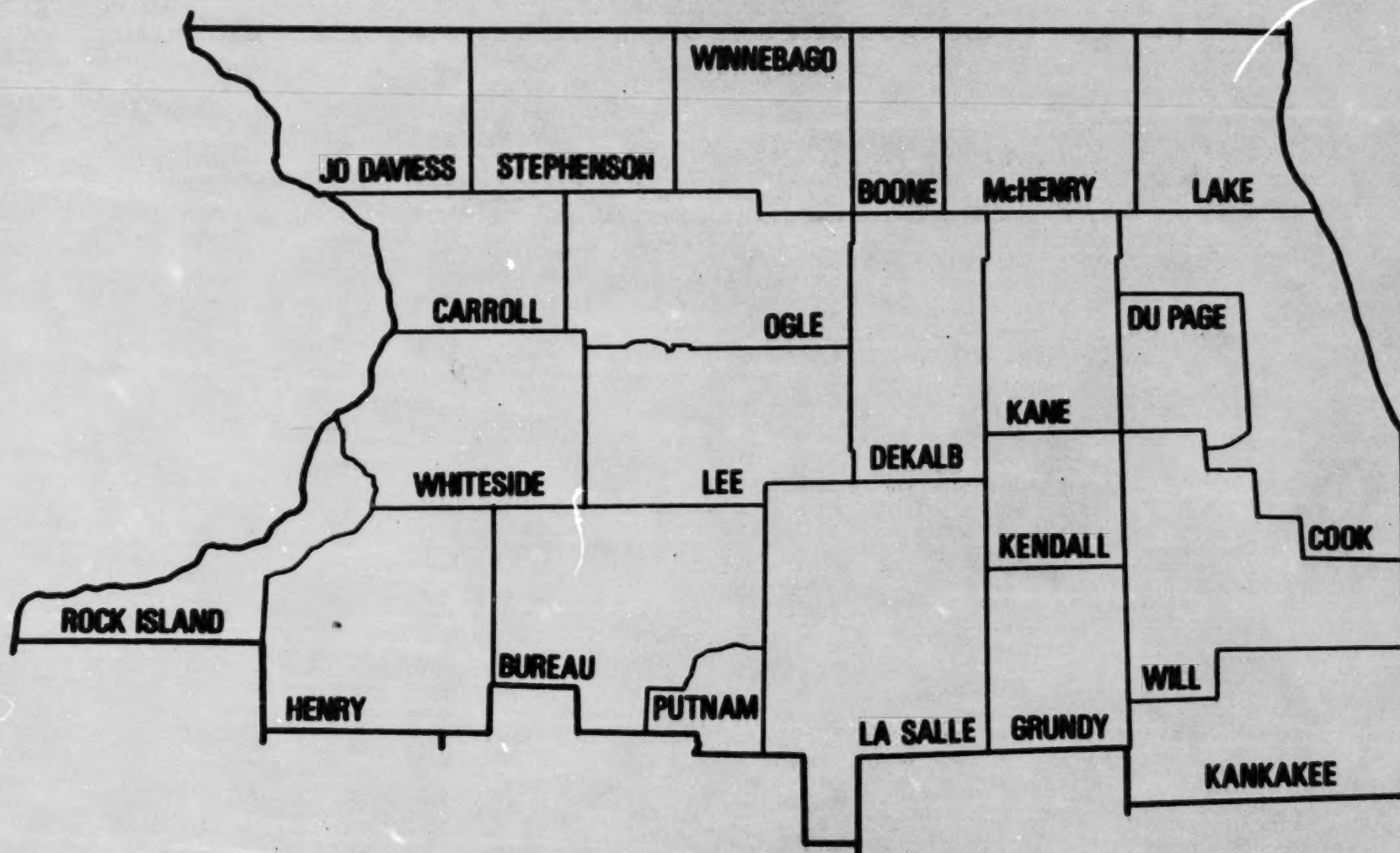
KEY TO STATE OF ILLINOIS PLAN FOR ECONOMIC DEVELOPMENT
IS FOUR UNIVERSITY-BASED CENTERS SERVING REGIONS OF STATE



E. Edward Harris, Director
Office of Business Research
Northern Illinois University

**A Plan
for
Economic
Development
as
Perceived
By.....**

A Communi-University Based Regional Economic Development Model



A Marketing Strategy Approach

E. Edward Harris, Director
Office of Business Research
College of Business
Northern Illinois University

FACT OR FALLACY?

1. DECLINING PRODUCTIVITY AND INABILITY OF COMMERCE AND INDUSTRY TO ADJUST AND IMPLEMENT NEW TECHNOLOGY IS THE MOST CRUCIAL PROBLEM FACING AMERICA TODAY.
2. THE "THOUGHTWARE REVOLUTION" OF THE LATE 1990'S WILL BE AS SIGNIFICANT TO THE QUALITY OF LIFE IN THE UNITED STATES AS THE INDUSTRIAL REVOLUTION WAS IN THE EARLY 1800'S.
3. APPROXIMATELY 50 PERCENT OF THE JOBS IN A GIVEN AREA CHANGE EVERY FIVE YEARS AND ONLY 1 - 2 PERCENT IS DUE TO RELOCATION OF COMMERCE AND INDUSTRY.
4. EIGHTY PERCENT OF THE REPLACEMENT JOBS ARE CREATED BY FIRMS WITH 100 OR FEWER EMPLOYEES.
5. A TRAINED WORKFORCE IS THE KEY TO INCREASED PRODUCTIVITY. HOWEVER, THE ACADEMIC AND FUNCTIONAL SKILLS OF MOST WORKERS ARE TOO ANTIQUATED FOR THE NEW REPLACEMENT JOBS NOW EMERGING AND PUBLIC SECTOR TRAINING FACILITIES ARE OBSOLETE, WORN OUT AND LIMITED.
6. THE U.S. IS NOW SPENDING \$40 BILLION A YEAR ON JOB TRAINING BY PRIVATE AND PUBLIC SECTOR AGENCIES WITH THE PUBLIC SECTOR PROGRAMS SERVING LESS THAN 8 PERCENT OF THE POPULATION.
7. IN JANUARY 1983, AMERICA'S PRODUCTION RATE WAS ONLY AT 67.5 PERCENT OF CAPACITY AND THE SMALL BUSINESS FAILURE RATE WAS UP 55 PERCENT OVER THE PREVIOUS YEAR.
8. ILLINOIS IS NOT ONE OF THE 19 STATES WITH A SMALL BUSINESS DEVELOPMENT CENTER, YET SMALL BUSINESS FAILURES CONTINUE TO GROW AT AN ALARMING RATE.

**AND DID YOU KNOW THAT
IT HAS BEEN PREDICTED THAT...**

1. BY THE YEAR 2010, 30 PERCENT OF THE POPULATION WILL BE 60 OR OVER WITH ONLY 40 PERCENT OF THE PEOPLE IN THE WORK FORCE IN THE NORMAL WORKING AGE CATEGORY?
2. THERE WILL BE 28 PERCENT FEWER HIGH SCHOOL GRADUATES IN 1992 THAN IN 1982?
3. THERE WILL BE 22 PERCENT INCREASE IN THE NUMBER OF ADULT AGED WOMEN WORKING?
4. TECHNOLOGY WILL CONTINUE TO CHANGE EVERY 5 - 7 YEARS?
5. THE BIGGEST JOB GROWTH WILL COME IN TWO GENERAL AREAS: INFORMATION AND CONSERVATION - AND, THERE WILL BE A RAPID GROWTH IN OCCUPATIONS THAT BARELY EXIST TODAY?
6. NINETY PERCENT OF GROWTH IN THIS COUNTRY WILL TAKE PLACE IN THE SOUTHWEST AND FLORIDA?
7. APPROXIMATELY 66 PERCENT OF THOSE CURRENTLY UNEMPLOYED WILL NEVER RETURN TO THEIR OLD JOBS?
8. TWENTY MILLION TO EIGHTY MILLION AMERICANS WILL NEED TO BE RETRAINED IN THE NEXT 10 YEARS?

Chicago Tribune

25c

Friday, March 11, 1983

State economy ripped in study

By Alvin Nagelberg

DETERIORATING economic growth has cost Illinois 200,000 jobs and \$4 billion in personal income since 1967, according to a nine-month study by the Illinois State Chamber of Commerce.

The state's economic growth since 1974 has been among the worst in the United States, ranking 45th among the 48 continental states, according to the report issued Thursday by the chamber.

Illinois' economic performance fell below even that of most of its neighboring Great Lakes states, although they also have been hit hard by unemployment and other recessionary troubles.

The report was released as Gov. James Thompson met Thursday with New York bond rating services to try to persuade them to maintain the AAA rating on Illinois bonds.

It blamed major cost increases in work er's compensation, unemployment insurance and welfare and rising business taxes for the state's deteriorating economic performance. It also warned that further direct tax increases on business would cost

Illinois more income and jobs.

FOR THE NEXT fiscal year, which begins July 1, Thompson has proposed a \$1.8-billion package of increases in taxes and fees that includes raising the corporate income tax. The report does not analyze the impact of the proposals, but notes that the business share of Illinois taxes in 1977 was higher than the national average.

"Had Illinois reduced its direct business tax burden to the same level as the average state, it may have realized an additional \$2.26 billion in personal income and as many as 75,000 more jobs," the report said.

The chamber has opposed Thompson's tax plan, insisting that the state's financial problems could be solved by budget-cutting.

"We should balance the budget as best we can until the economy shows improvement," said Lester Brann Jr., chamber president.

A. James Heins, professor of economics at the University of Illinois, who prepared the study for the business group, said that Thompson should enact a temporary sur-

Continued on page 21, col. 1

State jobless figures soar

By Bill Neikirk
Chicago Tribune

WASHINGTON—The Illinois unemployment rate jumped sharply from 12.6 to 13.5 percent in February while the nation's official jobless rate held steady at 10.4 percent, the government said Friday.

Statewide, unemployment rose by 47,000 over January to 759,000 as the number of people employed fell by 49,000 to 4,880,000. The state labor force was reported to be 2,000 smaller than in January, indicating that some workers may have stopped looking for a job because of a generally discouraging outlook.

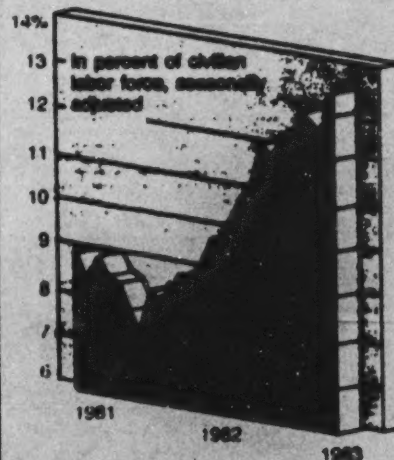
Even though an economic recovery has begun, many economists predict that the industrial Midwest will lag behind other regions because it depends so heavily on big-ticket goods that require credit and are sensitive to interest rates.

But in another sense, the worsening Illinois job situation may not be out of line with the picture across the nation. The U.S. figures indicated that large numbers of the jobless appear to have dropped out of the labor force temporarily, making the national data look better than they are.

THE BUREAU of Labor Statistics' monthly jobs report slowed down some of the soaring optimism among economists that the economic recovery that fired up

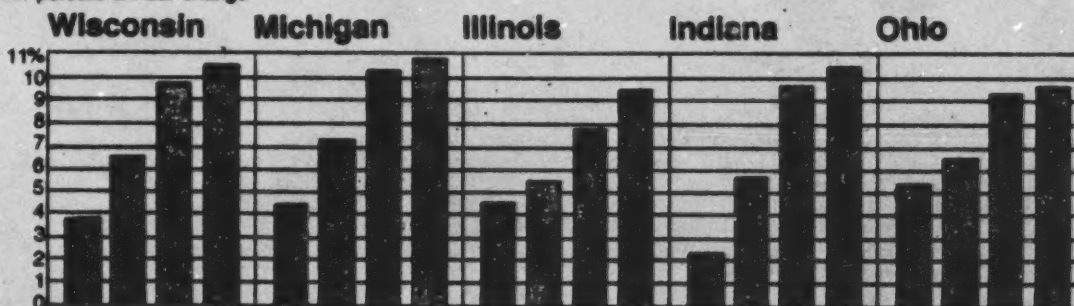
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Unemployment in Illinois



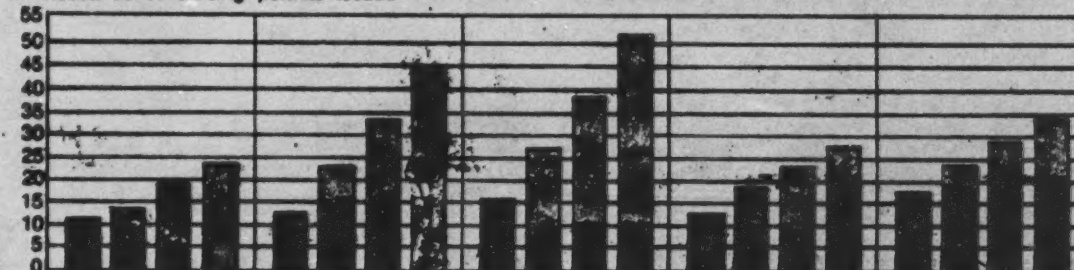
Chicago Tribune Chart by Terry Volpe
Source: U.S. Labor Department

Personal income
In percent annual change



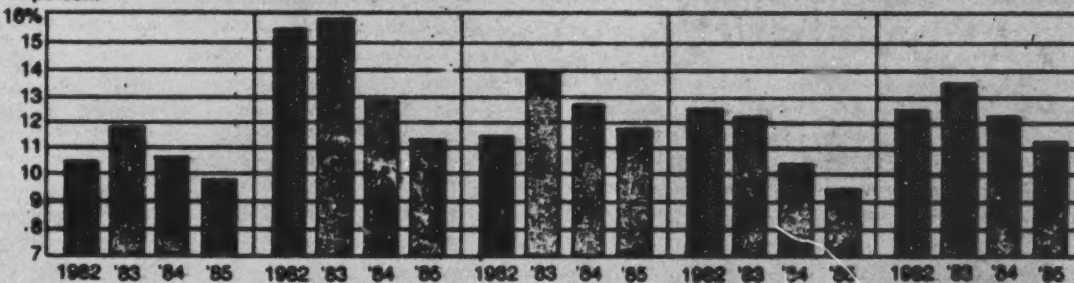
Housing starts

In thousands of building permits issued



Unemployment rate

In percent



Note: Figures for 1983, '84 and '85 are projections

Chicago Tribune Graphic by Jack Storing; Source: Chase Econometrics



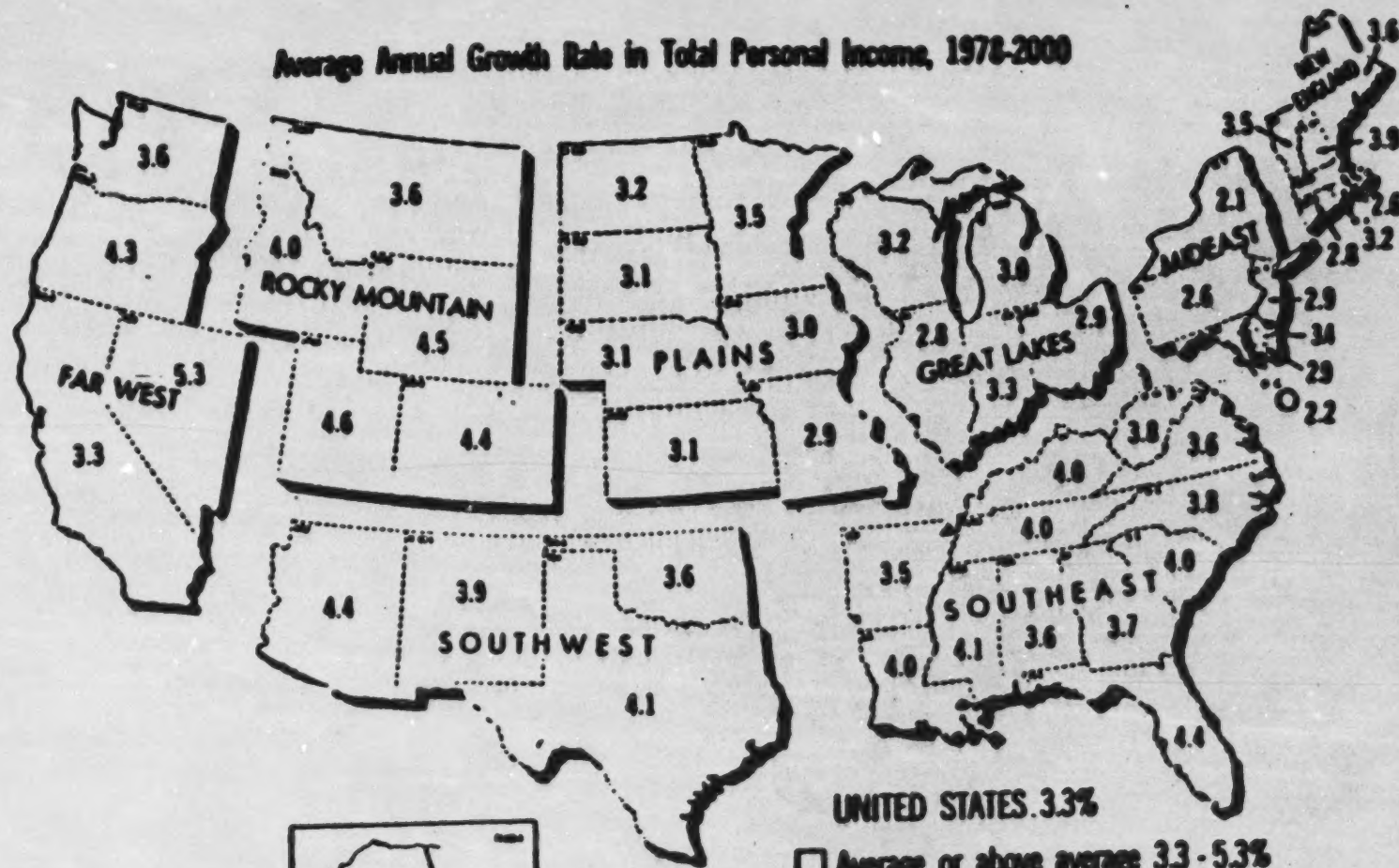
**Economic recovery forecast
for the Midwest**

First into the recession,



Great Lakes may be last out

Average Annual Growth Rate in Total Personal Income, 1978-2000

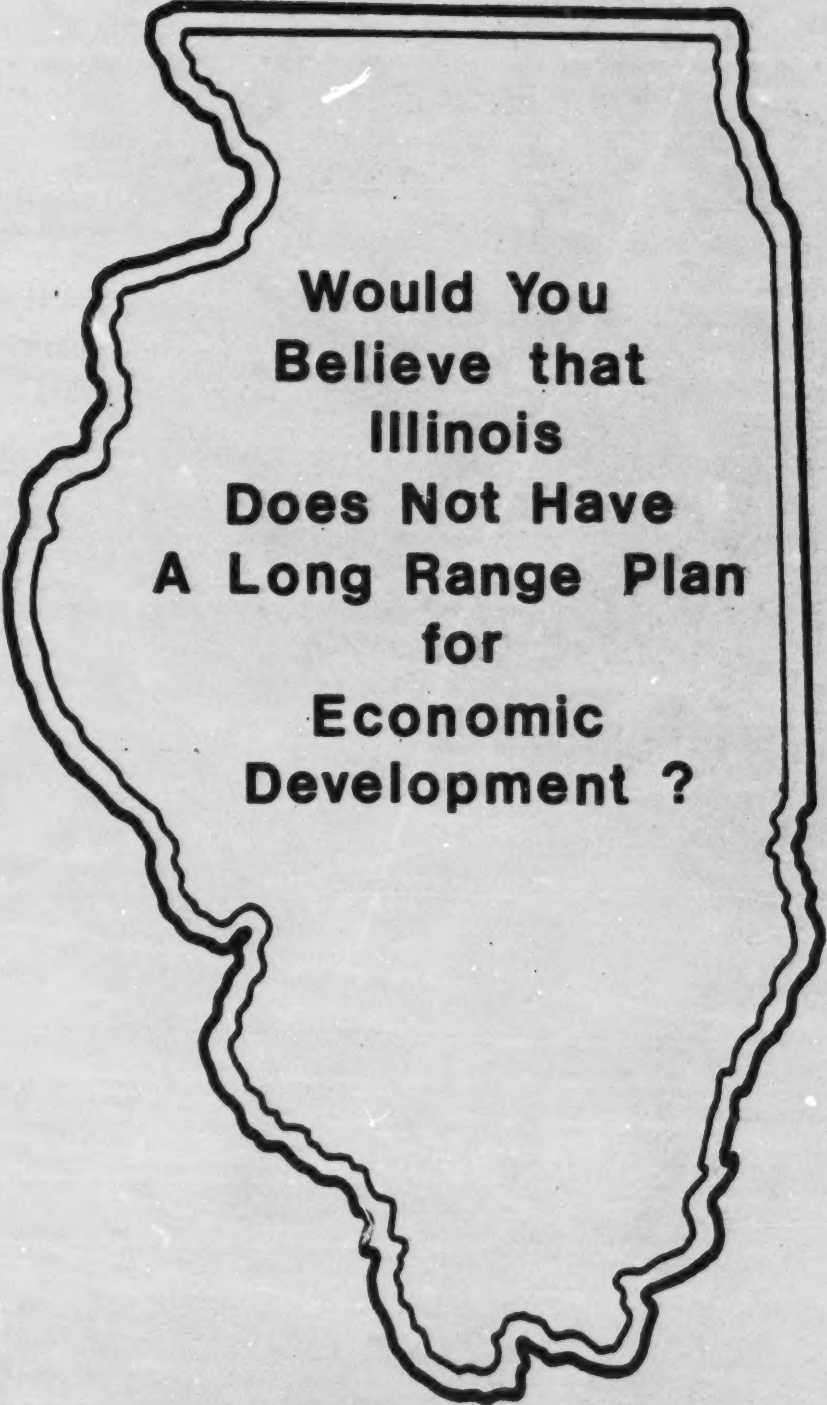


U.S. Department of Commerce, Bureau of Economic Analysis

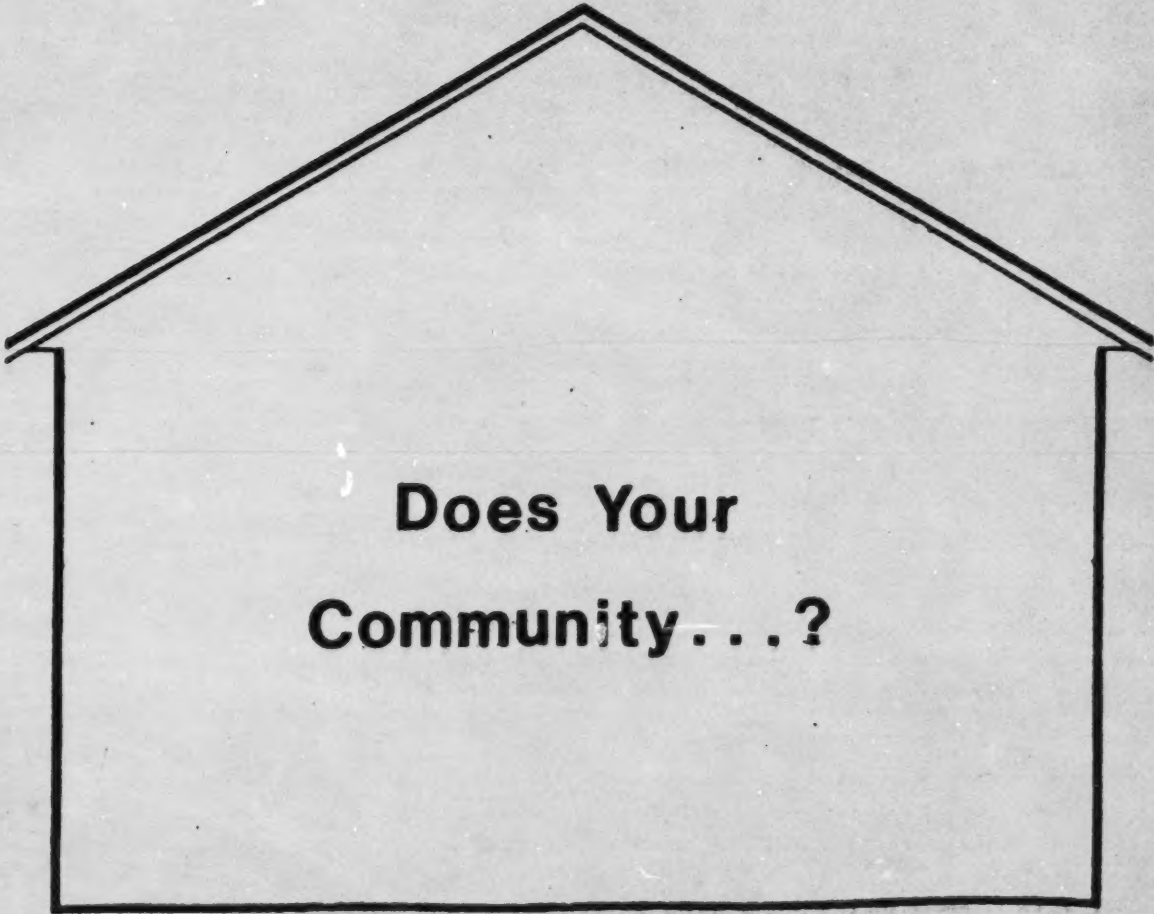
IF SOMETHING ISN'T DONE IN THIS 24-COUNTY NORTHERN ILLINOIS AREA (EXCLUDING CITY OF CHICAGO), WHAT WILL BE THE RESULT?

- * IN 1982, THERE WERE 115,286 ESTABLISHMENTS EMPLOYING 1,869,553 PEOPLE!
- * BY 1987, ALMOST 1 MILLION PEOPLE WILL HAVE TO BE TRAINED OR RETRAINED FOR JOBS OF FUTURE!
- * IF NOT SUCCESSFUL, AREA WOULD LOSE APPROXIMATELY 20 BILLION DOLLARS IN PERSONAL INCOME IN THE NEXT FIVE YEARS.
- * RESEARCH SHOWS THAT 100 NEW INDUSTRIAL JOBS MEANS TO A COMMUNITY PER YEAR \$2,067,780 INCREASE IN PERSONAL INCOME,
 - \$ 661,609 INCREASE IN BANK DEPOSITS,
 - \$ 961,517 INCREASE IN RETAIL SALES,
 - \$1,038,000 INCREASE IN TAX BASE.

THE NEED TO REVITALIZE ECONOMY IS CLEAR! IT MUST HAPPEN! WHAT IS THE PLAN?

A black and white outline map of the state of Illinois, centered on the page. The map's border is a thick, slightly irregular black line. Inside the map, the following text is printed in a bold, sans-serif font, arranged in seven lines and centered horizontally.

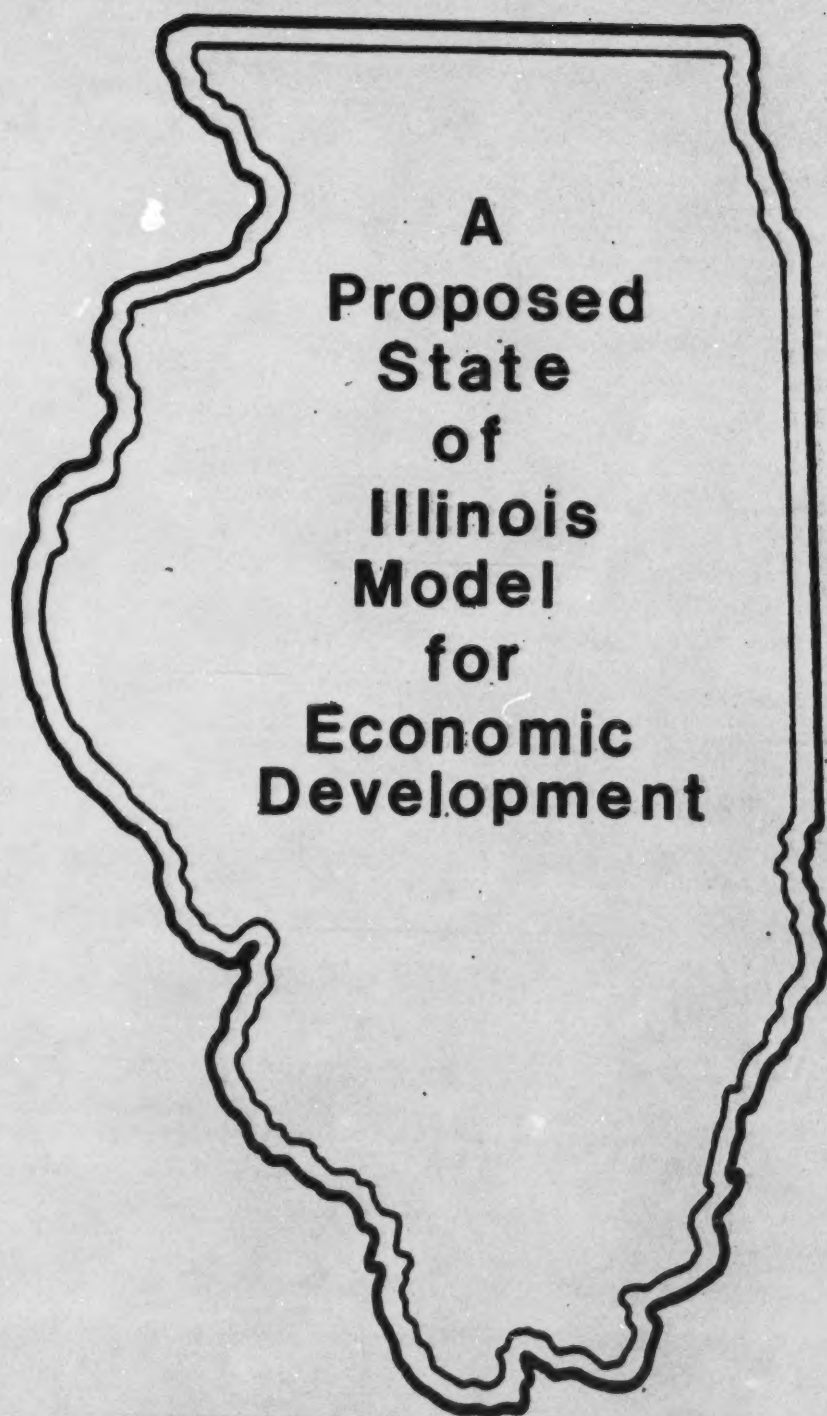
**Would You
Believe that
Illinois
Does Not Have
A Long Range Plan
for
Economic
Development ?**

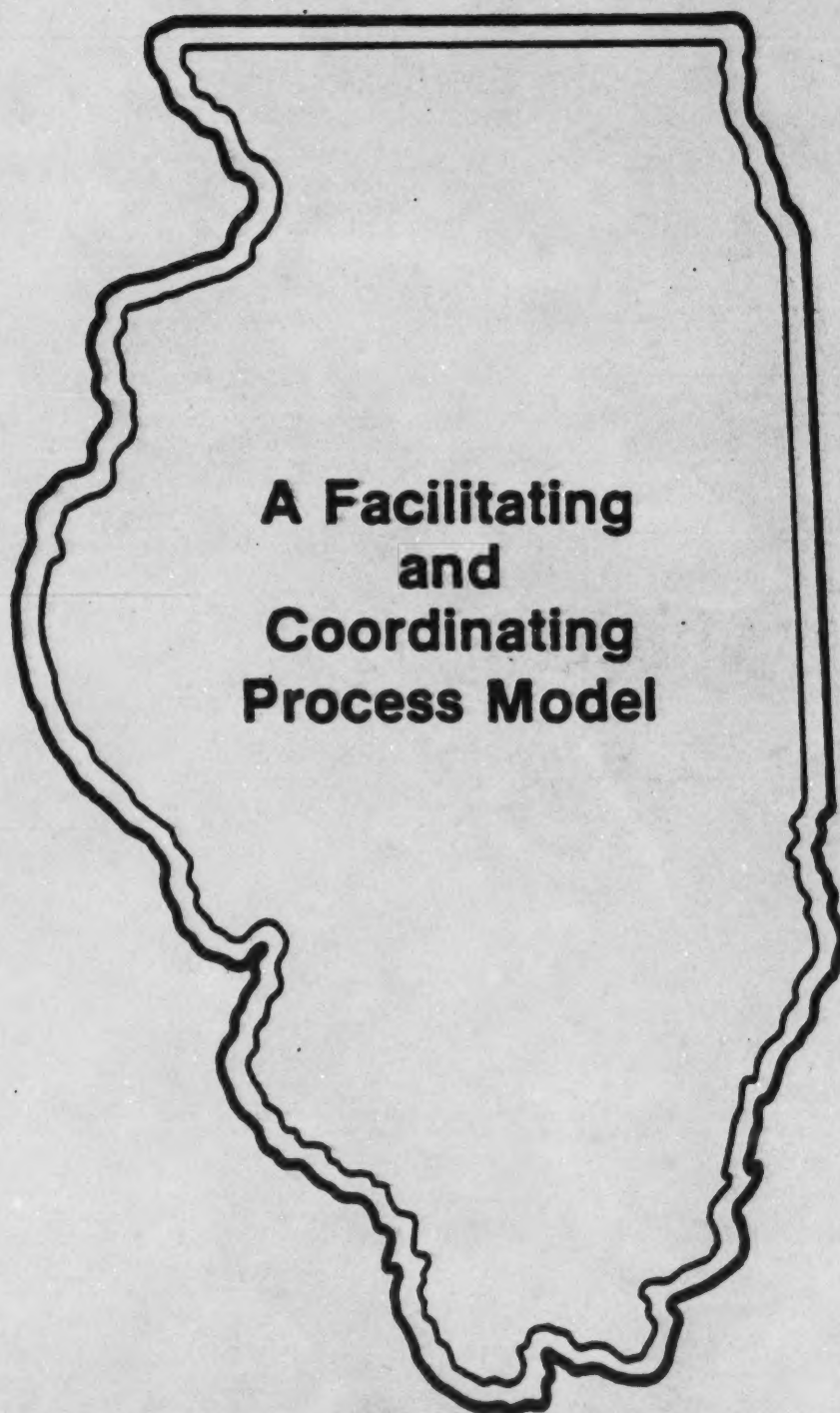


**Does Your
Community...?**

Economic Development Defined:

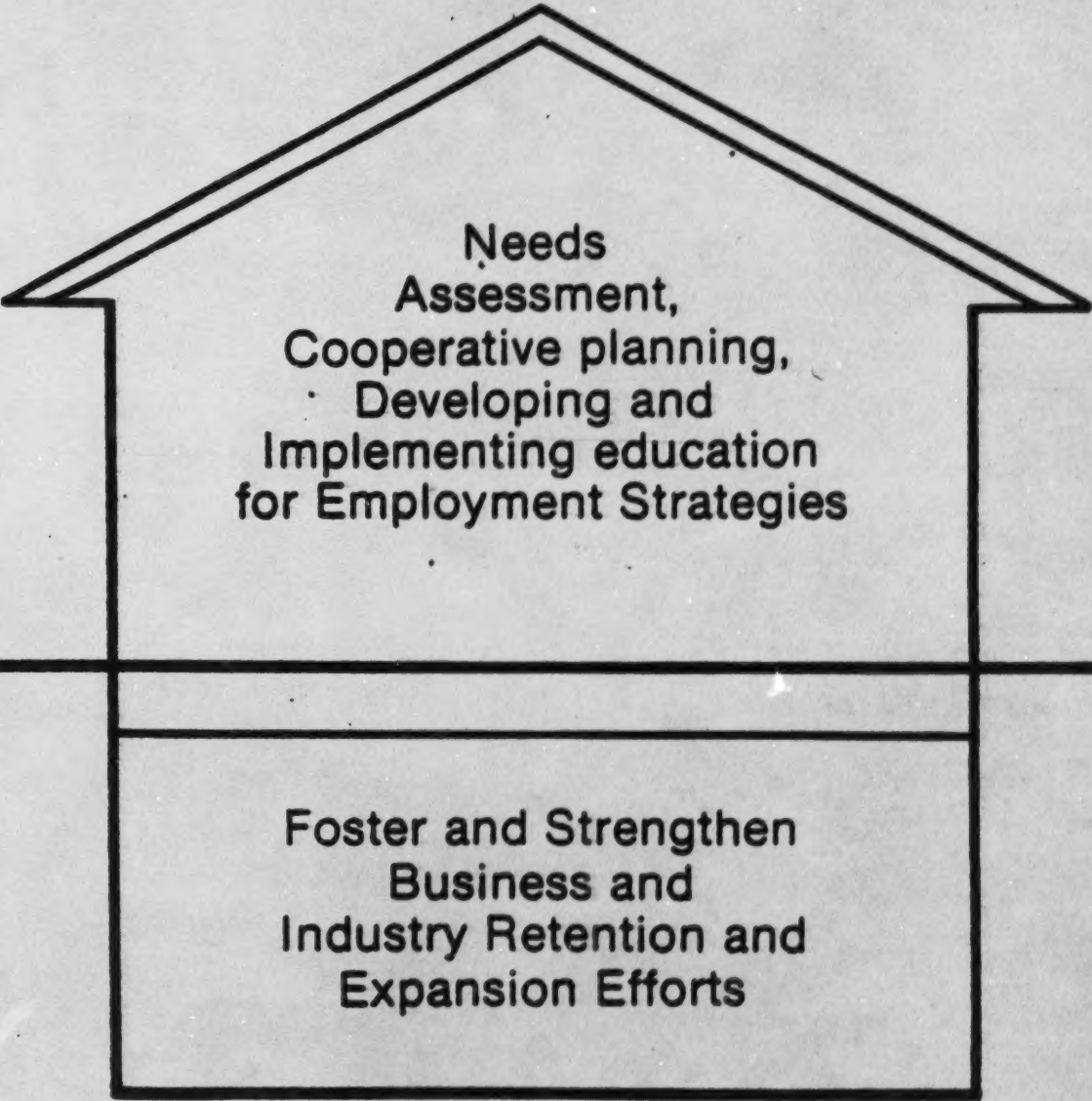
"A set of planning actions designed to attract new industry, expand existing industry, revitalize existing industry, and increase productivity growth rate. As a result, the quality of life in a community or state will be positively changed."





**A Facilitating
and
Coordinating
Process Model**

Two Major Project Goals



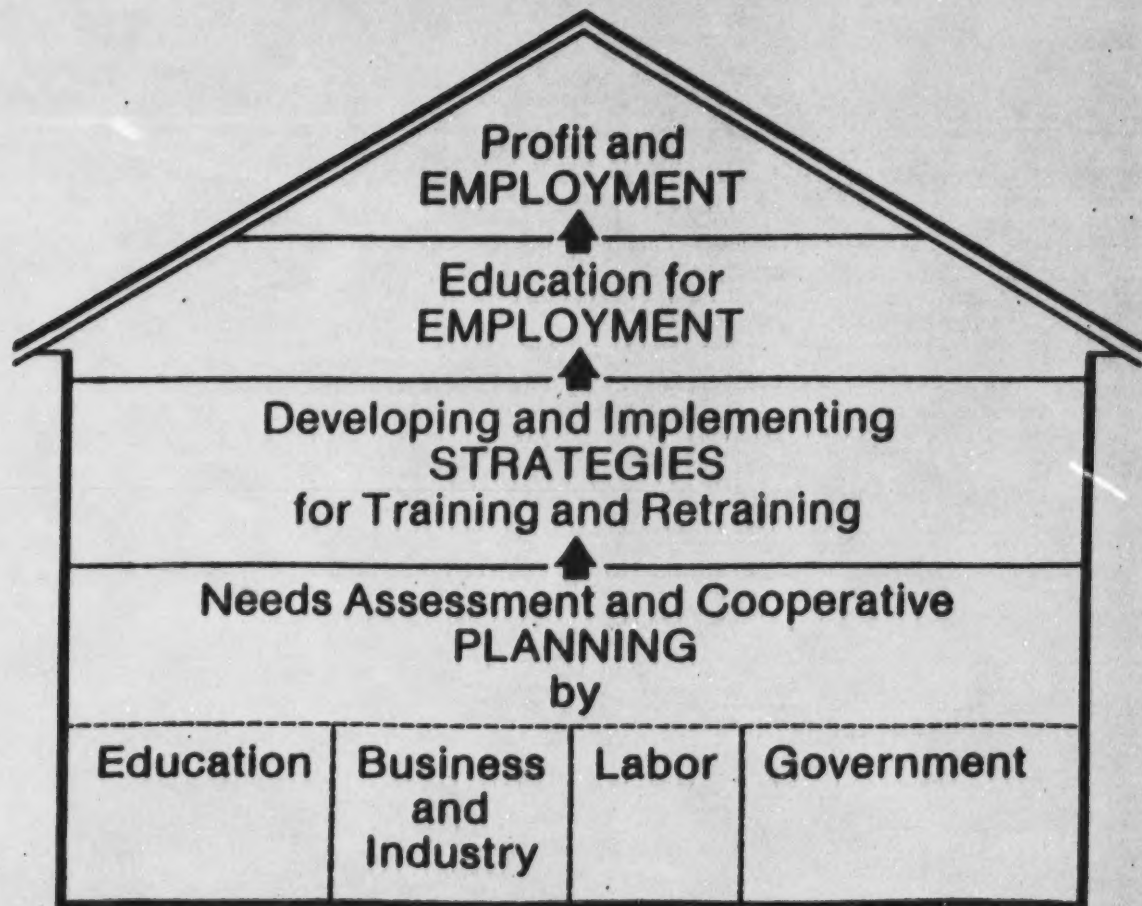
**Needs
Assessment,
Cooperative planning,
Developing and
Implementing education
for Employment Strategies**

**Foster and Strengthen
Business and
Industry Retention and
Expansion Efforts**

**Foundation for Economic
Development is Fostering and
Strengthening Business and
Industry Retention and
Expansion**

- 1.Help Increase Productivity**
- 2.Help Decrease Business Failures**
- 3.Help Encourage and Aid Entrepreneurship**
- 4.Help Create a Favorable Business Climate Through Community Support**

**Human Resource Development
Is a Critical Component In
Building for a Sound Economy
and Is Achieved by**





Key Premises

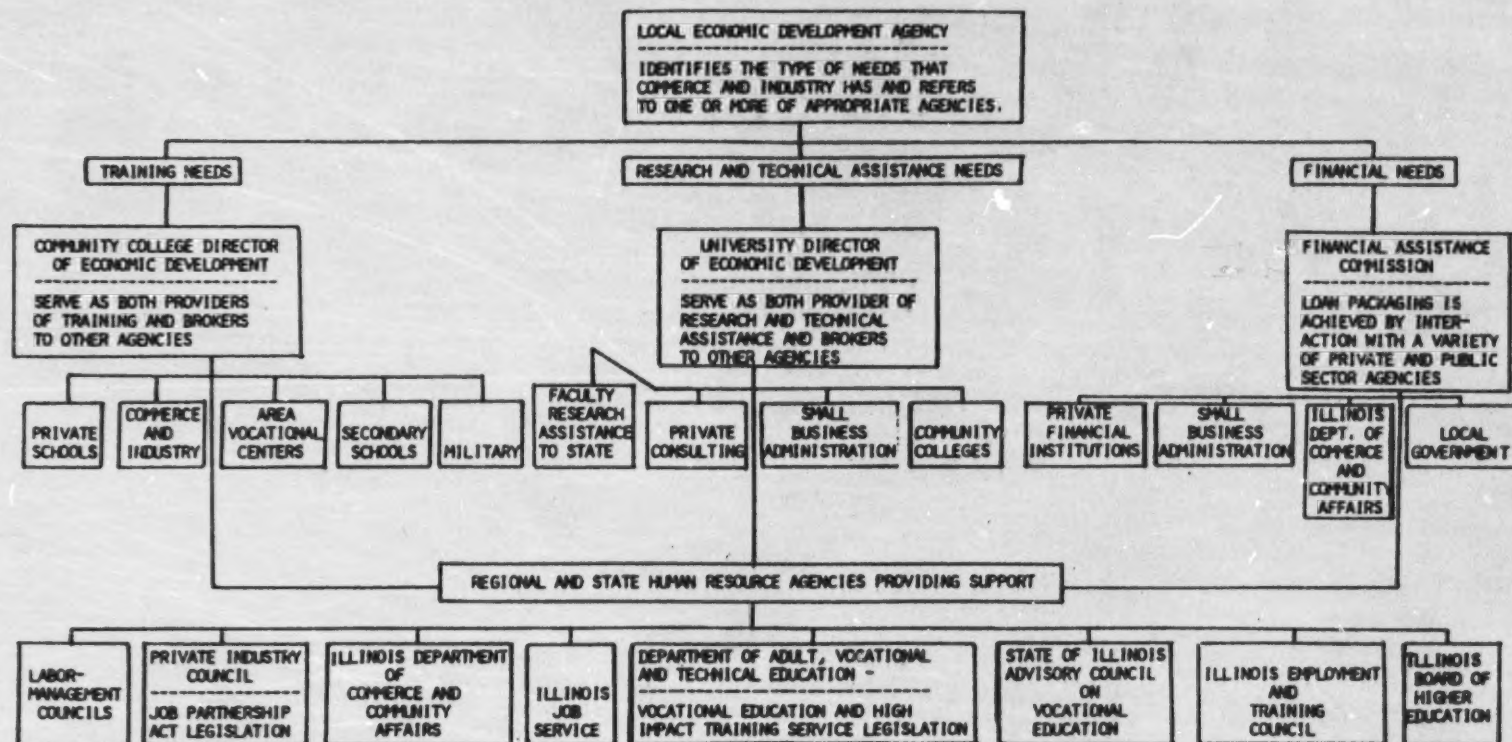
1. BUILT ON ASSUMPTION THAT ECONOMIC DEVELOPMENT BEGINS AT HOME--A GRASS ROOTS MODEL
2. REQUIRES NO NEW STATE AGENCIES...IN FACT, EXISTING STATE AGENCIES BECOME SUPPORTIVE NOT INITIATING
3. BUILT ON ASSUMPTION THAT INVESTMENT IN HUMAN RESOURCES IS THE BEST WAY TO INCREASE PRODUCTIVITY
4. REQUIRES NO NEW STATE FUNDS EXCEPT AS MATCH FOR SMALL BUSINESS ADMINISTRATION FEDERAL FUNDS
5. BUILT ON ASSUMPTION THAT ECONOMIC DEVELOPMENT CAN ONLY TAKE PLACE IF THERE IS MAXIMUM COOPERATION AND COLLABORATION BETWEEN AND AMONG COMMERCE, INDUSTRY, EDUCATION, LABOR AND COMMUNITY AGENCIES

ADDITIONAL PREMISES

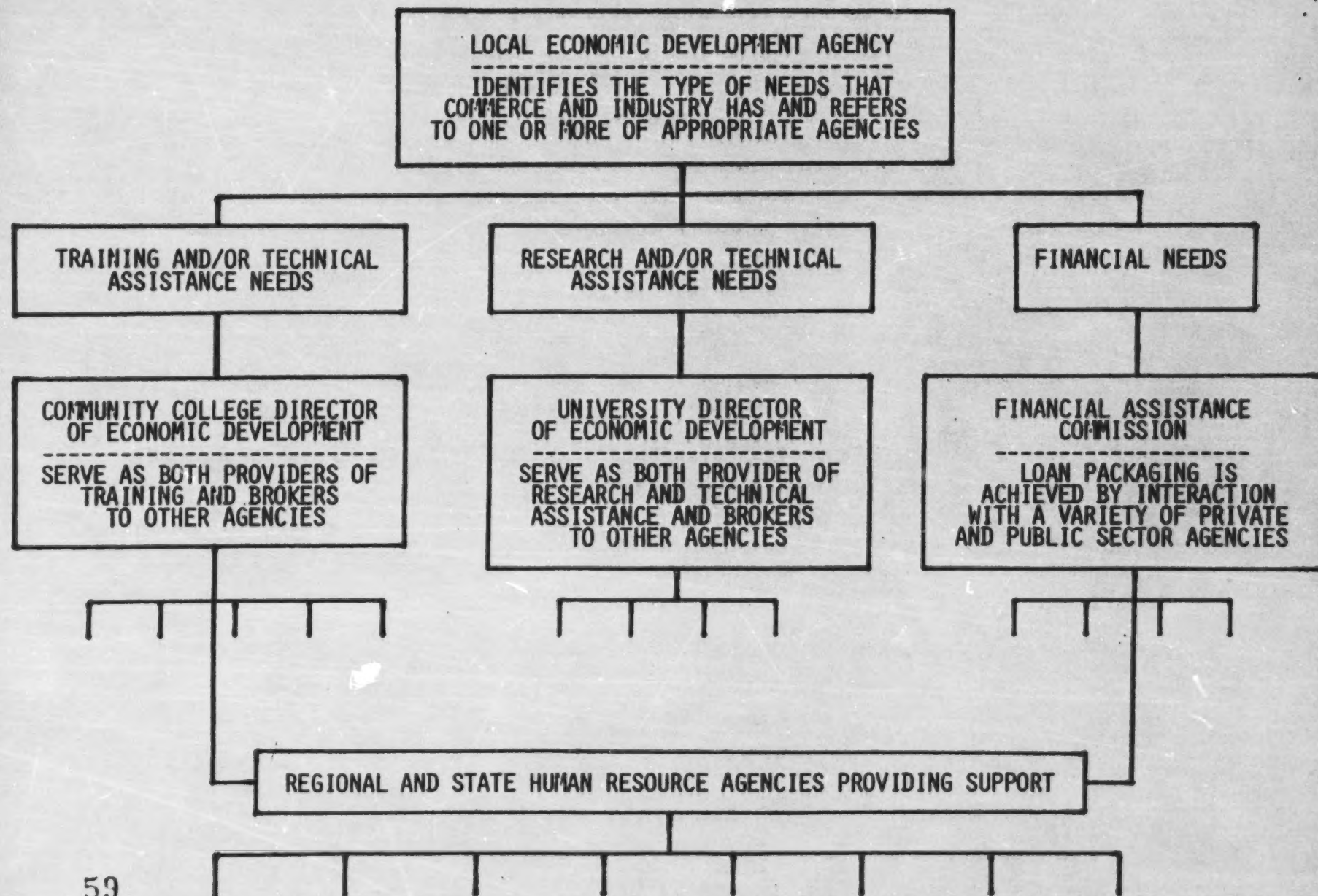
1. THERE ARE REGIONAL ECONOMIC DEVELOPMENT NEEDS AND DIFFERENCES IN THE STATE THAT CAN BE MOST EFFECTIVELY ADDRESSED LOCALLY OR REGIONALLY, IF GIVEN ADEQUATE SUPPORT FROM PRIVATE AND PUBLIC SECTOR ORGANIZATIONS.
2. ECONOMIC DEVELOPMENT WILL EMERGE AS A PRIME THRUST IN VARIOUS COMMUNITIES AND REGIONS AT DIFFERENT TIMES. THERE IS LITTLE NEED TO TRY TO PROVIDE SUPPORTIVE SERVICES UNTIL A COMMUNITY "HURTS ENOUGH" AND IS READY TO ADDRESS ITS OWN PROBLEMS AND MAKE A FULL COMMITMENT TO REVITALIZING ITS ECONOMY.
3. MAXIMUM COOPERATIVE AND COLLABORATIVE EFFORTS WILL BE SUCCESSFUL WHEN THE PARTICIPANTS OR AGENCIES INVOLVED CAN CLEARLY AND FULLY SEE HOW THEY WILL BENEFIT.
4. LOCAL AND REGIONAL ECONOMIC DEVELOPMENT PERSONNEL, IF GIVEN THE PROPER EDUCATION AND TOOLS, CAN SERVE AS EFFECTIVE "MARKETING TEAMS."
5. EFFECTIVE PRIVATE AND PUBLIC SECTOR COOPERATIVE ARRANGEMENTS ON A LOCAL AND REGIONAL BASIS CAN BE ACCOMPLISHED SO AS TO ELIMINATE UNDUE TRAINING DUPLICATION AND MAKE MAXIMUM USE OF SCARCE RESOURCES.
6. EDUCATION, AT ALL LEVELS, HAS A KEY ROLE IN THE TOTAL ECONOMIC DEVELOPMENT SCENARIO IN ILLINOIS AND MUST MAKE A COMMITMENT TO ECONOMIC DEVELOPMENT.
7. DECISION MAKERS IN COMMERCE AND INDUSTRY MUST HAVE ACCURATE ECONOMIC AND LABOR MARKET DATA.
8. DECLINING PRODUCTIVITY, THE INABILITY OF BUSINESS AND INDUSTRY TO EXPAND AND IMPLEMENT NEW TECHNOLOGY, AND THE INCREASE IN BUSINESS FAILURES ARE CRITICAL PROBLEMS NEEDING PROMPT ATTENTION.
9. UNIVERSITIES MUST COMMIT A PORTION OF THEIR RESEARCH AND DEVELOPMENT CAPABILITIES TO ADDRESSING ECONOMIC DEVELOPMENT ISSUES AND CONCERNS.

EXHIBIT B

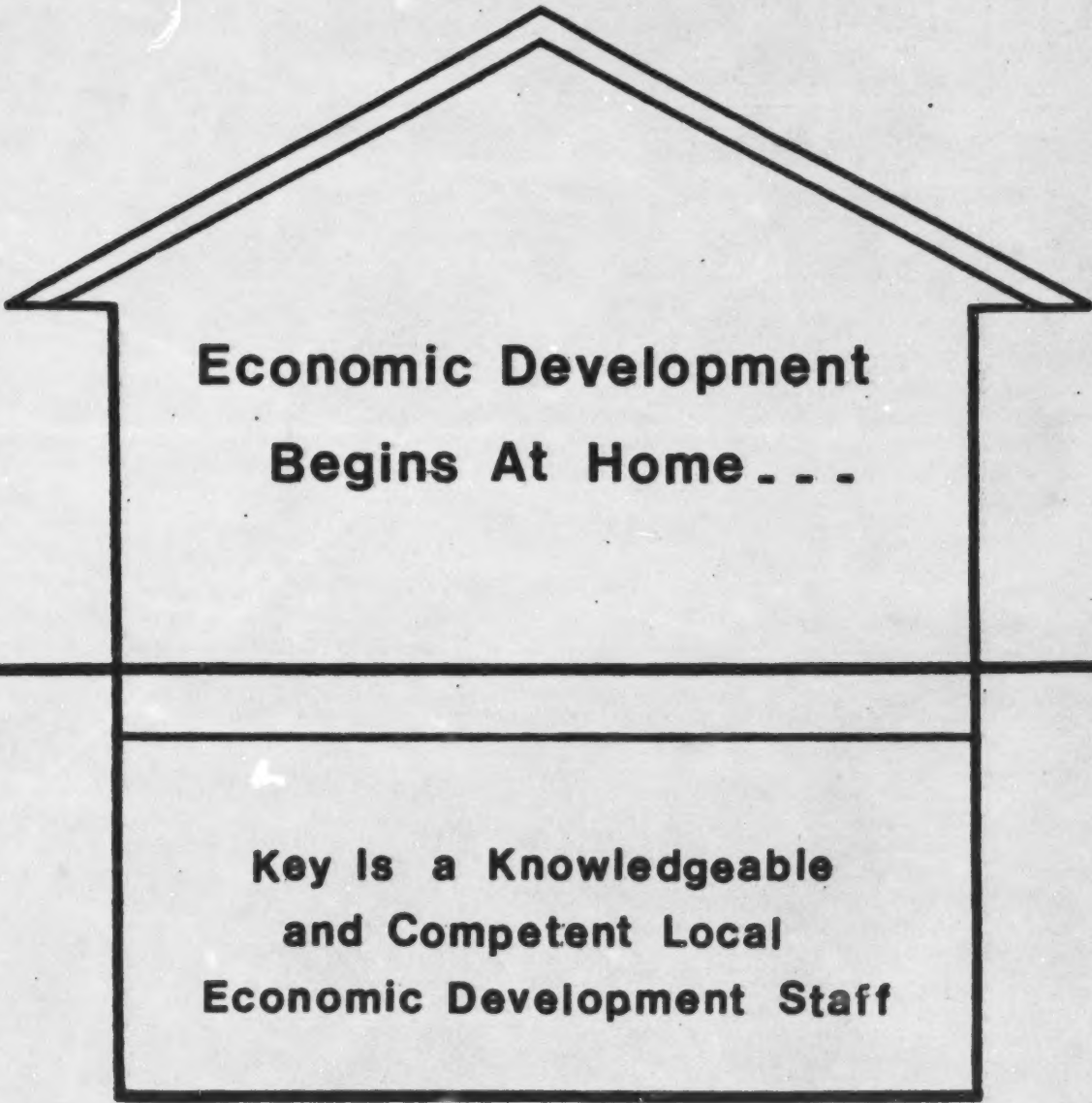
ROLE OF EDUCATION IN THE ECONOMIC DEVELOPMENT PROCESS



- E. EDWARD HARRIS
FEBRUARY 1, 1983



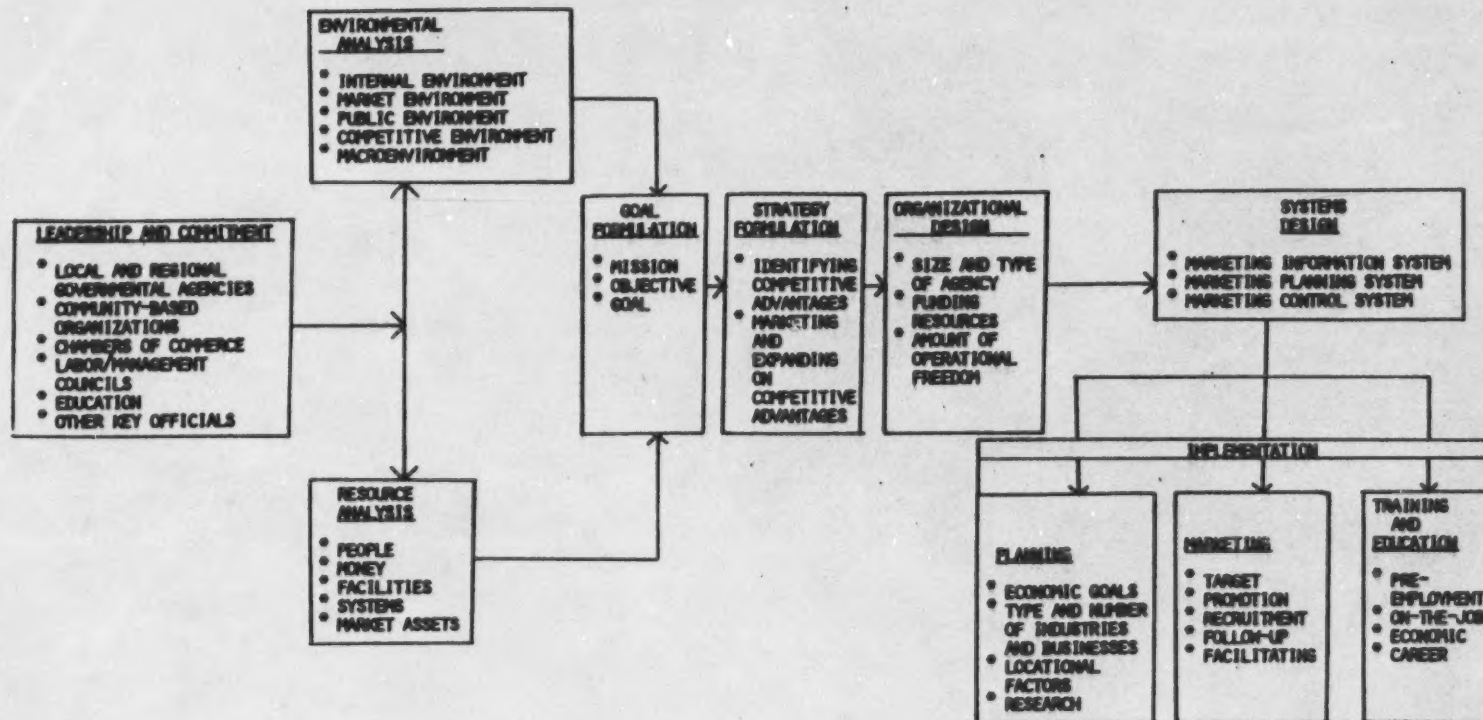
Model Based Upon Premise That . . .



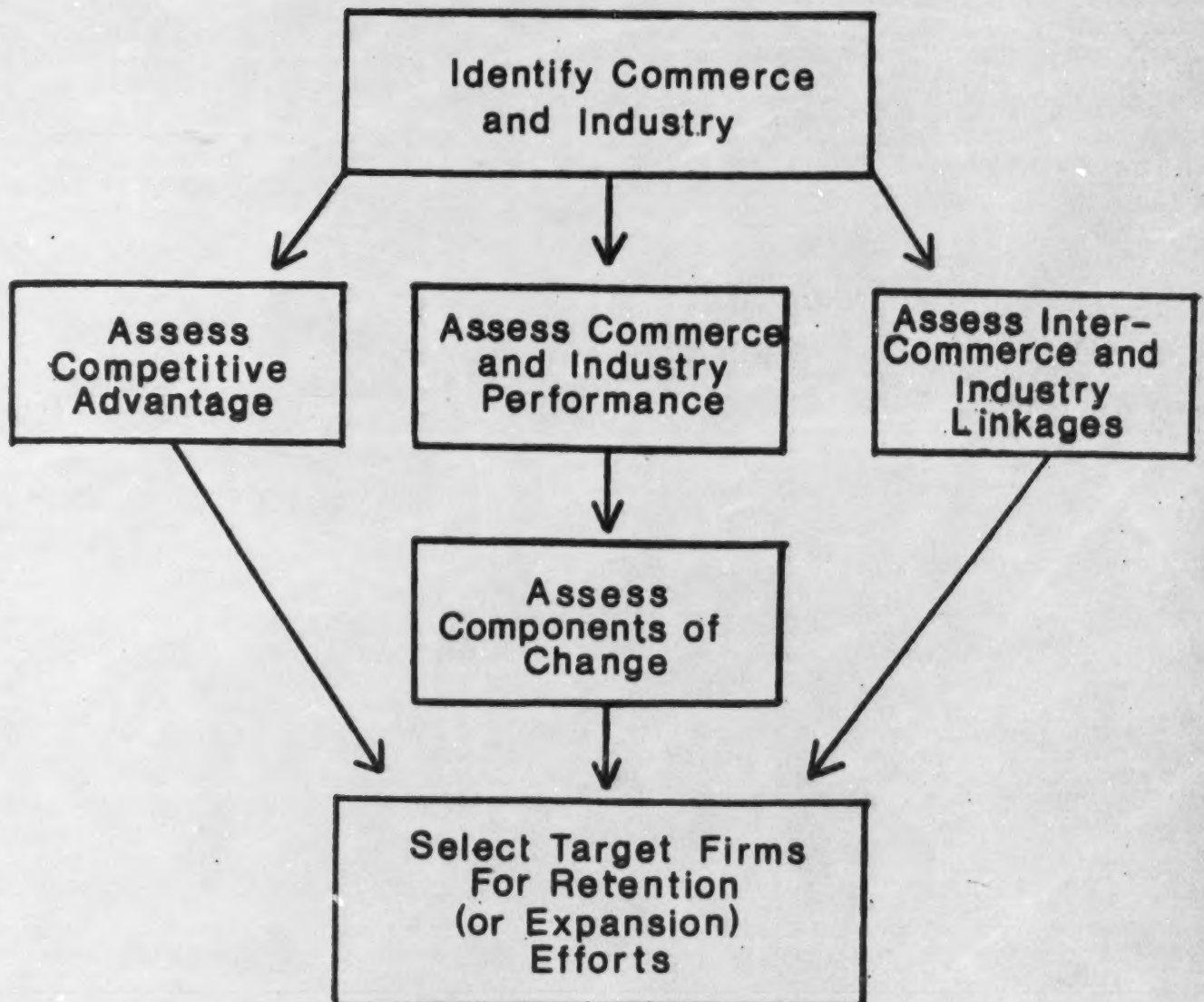
**Economic Development
Begins At Home . . .**

**Key Is a Knowledgeable
and Competent Local
Economic Development Staff**

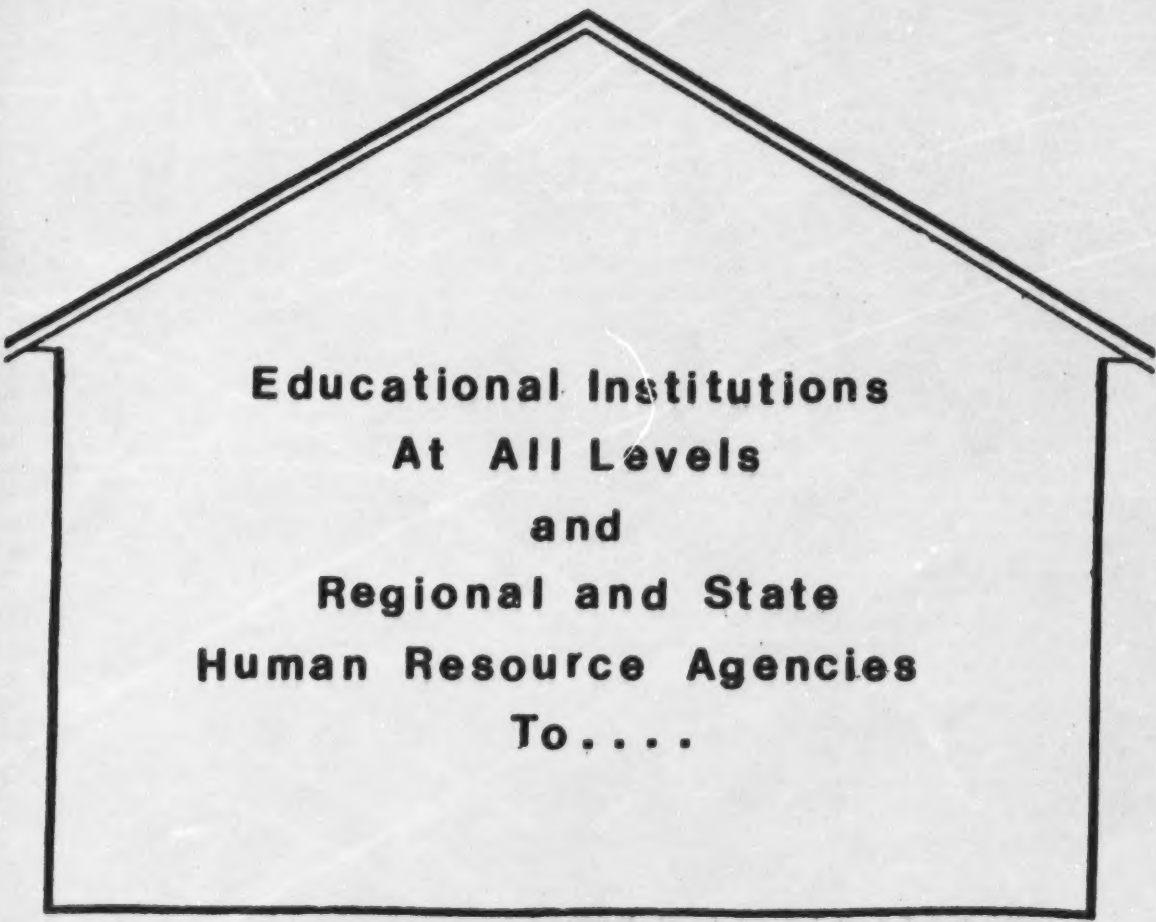
An Organizational Plan for Economic Development On Local and/or Regional Levels



TARGETING FOR COMMERCE AND INDUSTRY RETENTION PROGRAMS



**Local Economic Development Activities
Require Support and Assistance from**



**Educational Institutions
At All Levels
and
Regional and State
Human Resource Agencies
To**

ROLE OF PUBLIC ELEMENTARY AND SECONDARY SCHOOLS IN ECONOMIC DEVELOPMENT
AS PERCEIVED BY SCHOOL ADMINISTRATORS

1. HELP STUDENTS IN CAREER DEVELOPMENT PROCESS
2. HELP STUDENTS AND TEACHERS TO ACQUIRE ECONOMIC LITERACY
3. HELP STUDENTS TO ACQUIRE SURVIVAL SKILLS SUCH AS PERSONAL-LIFE SKILLS, PERSONAL AND INTERPERSONAL RELATIONSHIPS, INFORMATIONAL SKILLS, RESOURCE MANAGEMENT, SOCIAL SYSTEM SKILLS, TECHNOLOGICAL LITERACY, SAFETY, ETC.
4. HELP STUDENTS TO ACQUIRE EMPLOYABILITY SKILLS--ENTRY LEVEL AND UPGRADING
5. INFORM AND SECURE SUPPORT OF ADMINISTRATORS WHO IN TURN WILL INFORM TEACHERS, STUDENTS, AND PARENTS OF THE IMPORTANCE OF ECONOMIC DEVELOPMENT TO A COMMUNITY
- * 6. CREATE AN EFFECTIVE PUBLIC RELATIONS PROGRAM ON THE CONTRIBUTIONS OF EDUCATION TO THE "QUALITY OF LIFE" AND MARKET THIS PROGRAM TO CURRENT AND PROSPECTIVE BUSINESS EXECUTIVES AND THEIR FAMILIES
- * 7. MAKE BUSINESS AND INDUSTRY PARTNERS IN EDUCATION BY ACHIEVING AN EFFECTIVE DIALOGUE WITH LEADERS IN BUSINESS AND INDUSTRY AND SECURE THEIR SUPPORT IN COMMUNICATING EDUCATIONAL ACCOMPLISHMENTS AND IN GAINING LEGISLATIVE SUPPORT
8. HELP STUDENTS ACQUIRE BASIC SKILLS

SPECIFIC EXAMPLES OF HOW COMMUNITY COLLEGES HELP IN THE ECONOMIC DEVELOPMENT PROCESS

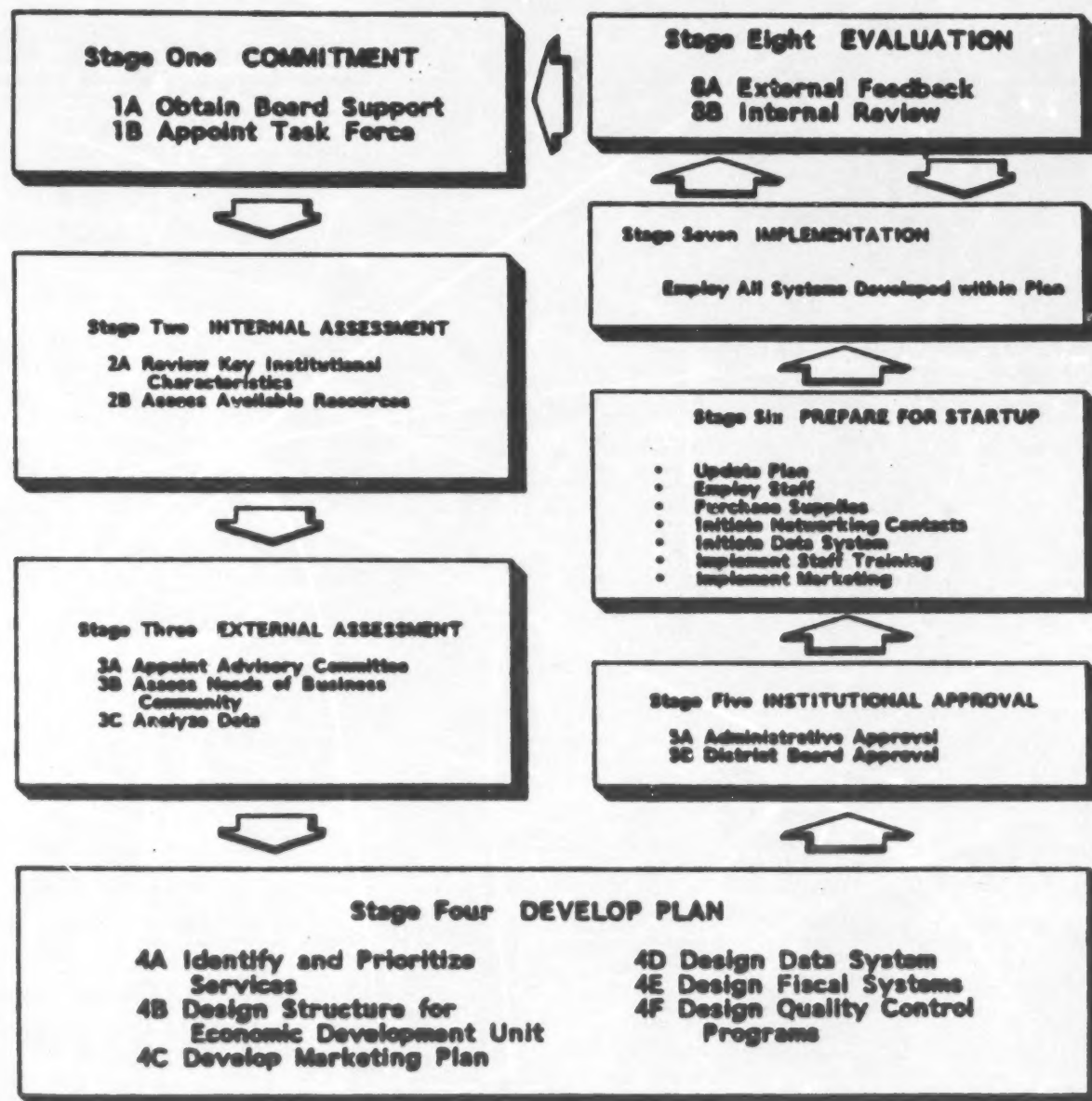
- PROVIDING FULL-TIME ASSOCIATE DEGREE AND VOCATIONAL DIPLOMA PROGRAMS THAT ARE TECHNICALLY CURRENT AND IN DEMAND;
- PROVIDING IN-PLANT TRAINING FOR WORKERS ALREADY EMPLOYED BY EXISTING INDUSTRY;
- PROVIDING PRE-EMPLOYMENT TRAINING THAT IS CONDUCTED FOR PROSPECTIVE EMPLOYEES BEFORE A NEW PLANT OPENS OR AN EXISTING ONE EXPANDS OR RELOCATES;
- PROVIDING RETRAINING OF EMPLOYEES TO UPDATE THEM FOR CHANGES RESULTING FROM TECHNOLOGICAL INNOVATIONS;
- PROVIDING TRAINING PROGRAMS, COURSES, AND SEMINARS TO AID BUSINESS OWNERS/ MANAGERS IN THE MARKETPLACE;
- EXPANDING AND UPGRADING EMPLOYMENT OPPORTUNITIES BY PROVIDING TECHNICAL ASSISTANCE TO BUSINESS AND INDUSTRY;
- PROVIDING TRAINING AND SUPPORT SERVICES TO INVENTIVE, CREATIVE, AND/OR INNOVATIVE ENTREPRENEURS;
- MAKING THE EXISTING DATA BASE AVAILABLE FOR LOCAL BUSINESS AND INDUSTRY AS A CENTRAL SOURCE FOR REFERRALS AND ASSISTANCE

ROLE OF NORTHERN ILLINOIS UNIVERSITY IN ECONOMIC DEVELOPMENT

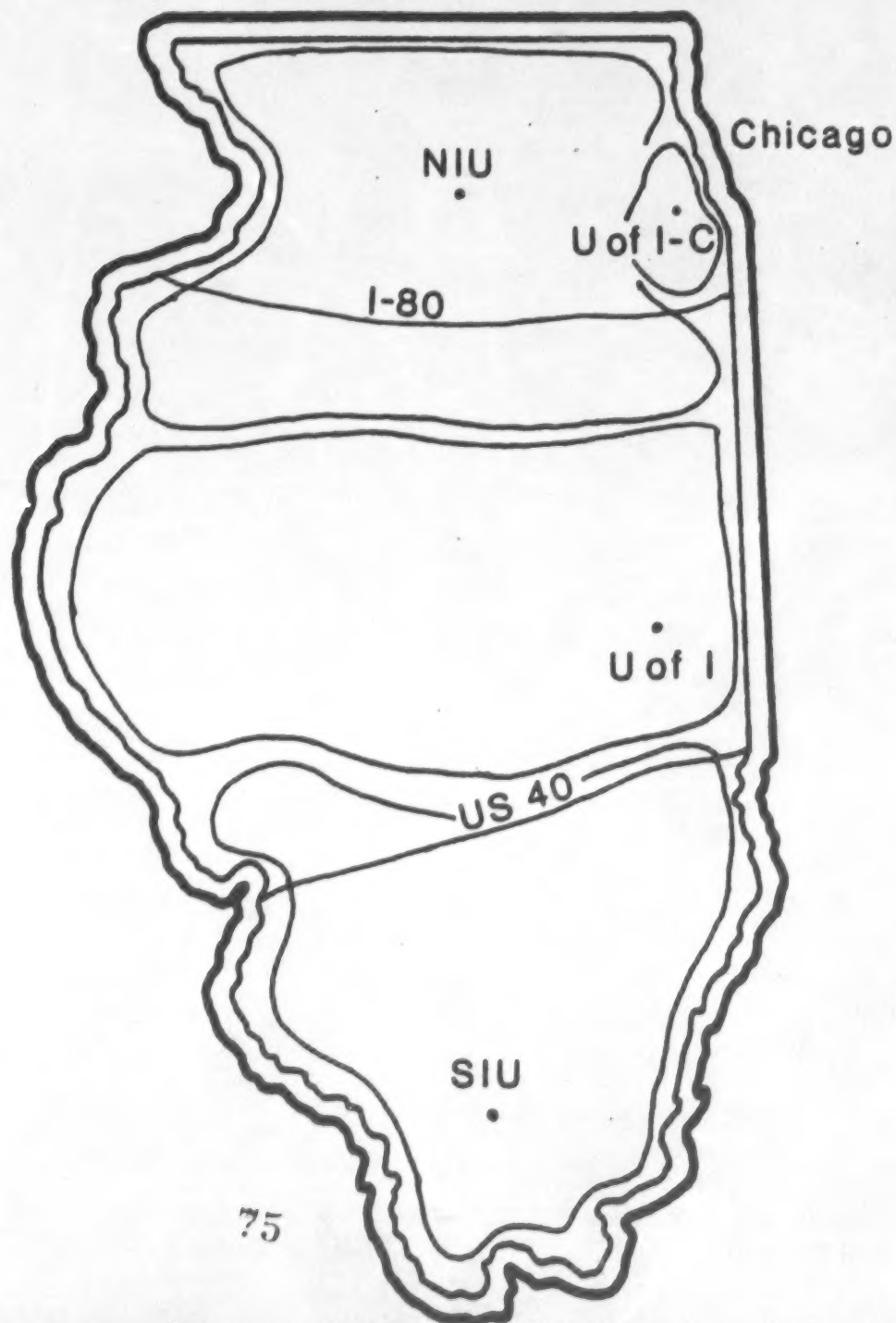
1. CONDUCT AND DISSEMINATE THE RESULTS OF A WIDE ARRAY OF RESEARCH AND DEVELOPMENT PROJECTS AND ACTIVITIES
2. CONDUCT EDUCATION AND TRAINING ACTIVITIES AT JOB LEVELS ABOVE THOSE NORMALLY ASSOCIATED WITH COMMUNITY COLLEGES AND SECONDARY SCHOOLS
- * 3. HELP PROVIDE THREE LEVELS OF TRAINING AND EDUCATION FOR LOCAL, REGIONAL AND STATE ECONOMIC DEVELOPMENT PERSONNEL
4. MATCH THE RESEARCH AND TECHNICAL ASSISTANCE CAPABILITIES OF FACULTY AND STAFF WITH THE NEEDS OF BUSINESS AND INDUSTRY
5. HELP MAKE AVAILABLE THE STAFF AND FACILITIES OF THE UNIVERSITY TO SERVE THE NEEDS OF BUSINESS AND INDUSTRY ON A COST RECOVERY BASIS
6. IDENTIFY AND DISSEMINATE THE TRAINING, EDUCATION AND FACILITY CAPABILITIES OF BOTH PRIVATE AND PUBLIC SECTOR THAT COULD BE MADE AVAILABLE IN MEETING THE HUMAN RESOURCE NEEDS OF BUSINESS AND INDUSTRY
- * 7. EXPLORE INNOVATIVE-COST-SHARING STRATEGIES BETWEEN AND AMONG PRIVATE AND PUBLIC SECTOR AGENCIES WITH TRAINING, EDUCATION AND RESEARCH CAPABILITIES

8. CONDUCT AND DISSEMINATE LABOR MARKET DATA AND TRAIN ECONOMIC DEVELOPMENT AND OTHER PERSONNEL IN HOW TO UTILIZE
- * 9. PROVIDE QUARTERLY REGIONAL ECONOMIC FORECASTING DATA AND CONDUCT TRAINING IN HOW TO UTILIZE
- * 10. PROVIDE TRAINING FOR EDUCATORS ON HOW TO "MARKET" THEIR SERVICES
11. HELP PROVIDE THE TEACHER EDUCATORS AND TECHNICAL ASSISTANCE TRAINING AND EDUCATION DESIRED BY PUBLIC SCHOOLS AND COMMUNITY COLLEGES IN AREAS SUCH AS ECONOMIC EDUCATION, CAREER EDUCATION, VOCATIONAL EDUCATION AND IN HELPING TO RETAIN AND SECURE BUSINESS AND INDUSTRY
12. EXPLORE INNOVATIVE STRATEGIES AND DELIVERY SYSTEMS FOR SERVING THE CUSTOMIZED TRAINING AND TECHNICAL ASSISTANCE NEEDS OF BUSINESS AND INDUSTRY--FRATS, LINDA HALL LIBRARY, BEAMED SATELLITE TRAINING PROGRAMS
13. CO-SPONSOR AND CONDUCT SEMINARS AND CONFERENCES THAT WOULD ASSIST IN FOSTERING ECONOMIC DEVELOPMENT IN THE REGION
- * 14. DESIGN AND IMPLEMENT AN ADMINISTRATIVELY-EFFECTIVE "MODEL" ON A REGIONAL BASIS THAT WILL ALLOW FOR THE MANAGEABLE COORDINATION OF A LARGE NUMBER OF ACTIVITIES AND AGENCIES INVOLVED IN ECONOMIC DEVELOPMENT

AN ORGANIZATIONAL PLAN FOR EDUCATIONAL INSTITUTIONS IN ECONOMIC DEVELOPMENT



**Keys To Plan Are The Research And
Development Capabilities of Universities
And Training And Technical Assistance
Abilities of Community Colleges**



Productivity Is the Problem. . .

**Lagging
Productivity**



**Sluggish
Economy**

-
- Inflation
 - Unemployment
 - Lessening
Standard of Living
 - Inability to Compete
Internationally

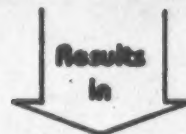
Human resource development
is equal to or exceeds the value
of technological advancement
in past economic growth.

Since 1972, the United States
has slipped from second to
seventh place in the percent of
skilled workers in the work force.

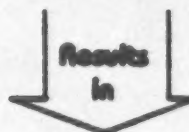
Growth in real wages almost exactly
follows the rate of growth
in productivity.

RECOMMENDATIONS

Invest in
Human Capital
&
High Technology



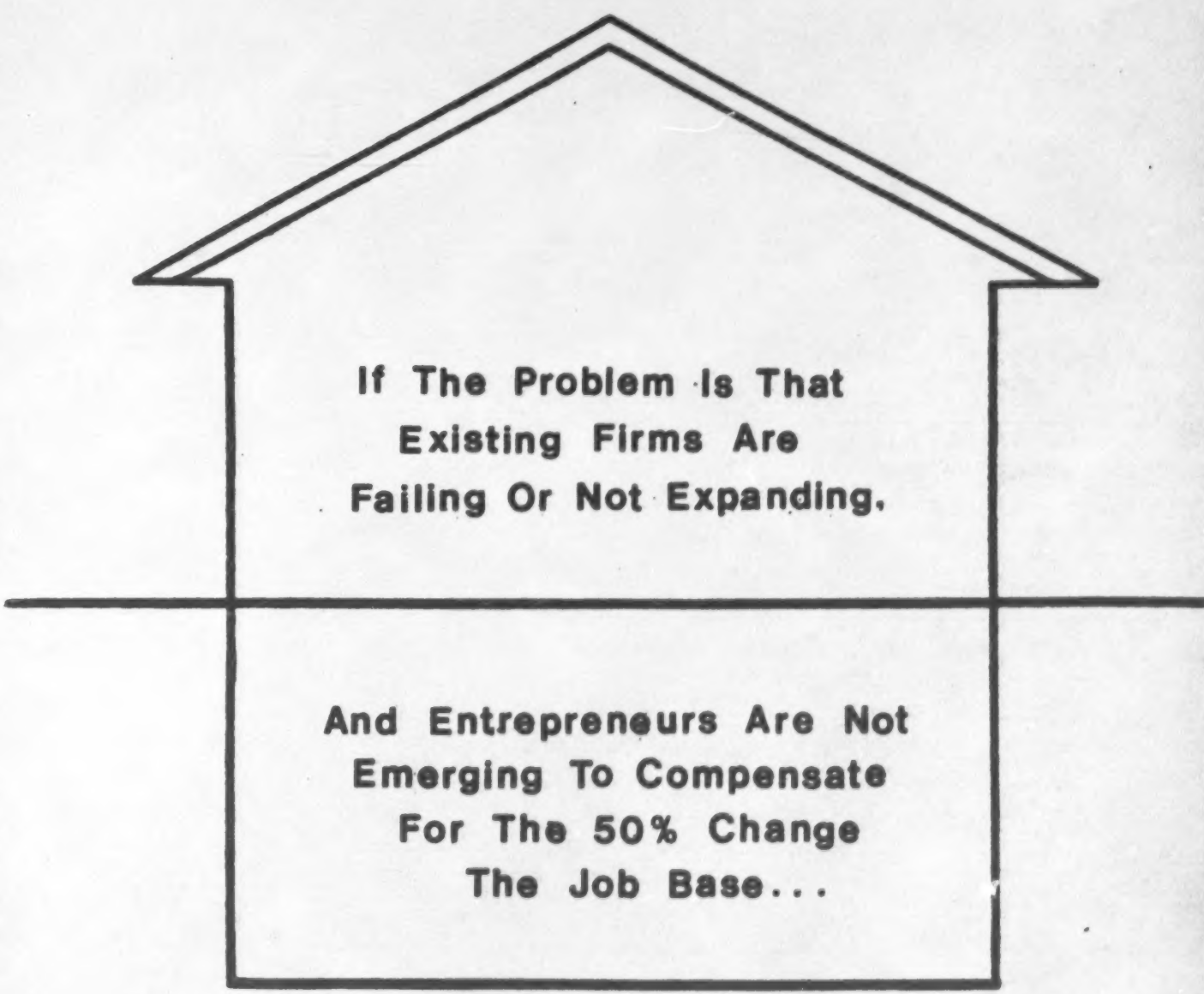
Higher
Productivity



Healthier
Economy



There must be a focus on
improving both the
human and technical capital
of the business sector.



**If The Problem Is That
Existing Firms Are
Failing Or Not Expanding.**

**And Entrepreneurs Are Not
Emerging To Compensate
For The 50% Change
The Job Base...**

REASONS FOR BUSINESS FAILURE

- 1. Lack of experience**
- 2. Lack of capital**
- 3. Poor location**
- 4. Too much inventory, particularly the wrong kind**
- 5. Excessive purchase of permanent equipment**
- 6. Poor credit-granting practices**
- 7. Unwarranted personal expenses**
- 8. Unplanned expansion**
- 9. Faulty attitudes**
- 10. Heavy expenses**
- 11. Poor collections**
- 12. Inadequate sales**
- 13. Incorrect inventory management**
- 14. Competitive weakness**

RECOMMENDATION

ESTABLISH A U. S. SMALL BUSINESS DEVELOPMENT CENTER TO:

- SERVE AS ONE OF SEVERAL AREA CONTACT POINTS FOR SMALL BUSINESS OWNERS AND MANAGERS SEEKING ASSISTANCE;
- PROVIDE AND COORDINATE A RANGE OF INSTRUCTIONAL AND CONSULTATION SERVICES FOR AREA BUSINESS, INCLUDING PRE-BUSINESS CONSULTING AND COURSES, MANAGEMENT DEVELOPMENT SEMINARS AND WORKSHOPS, SELF-INSTRUCTIONAL PACKAGES, GROUP AND INDIVIDUAL PROBLEM SOLVING SESSIONS, AS WELL AS ON-SITE CONSULTING;
- SERVE AS AN EDUCATIONAL CLEARING HOUSE THAT WILL IDENTIFY, COLLECT, AND MAINTAIN A VARIETY OF PRINT RESOURCES USEFUL TO THE SMALL BUSINESS OWNER OR MANAGER, INCLUDING SELF-HELP MATERIALS, SBA PAMPHLETS, GOVERNMENT PUBLICATIONS, ETC.;
- DEVELOP AND MAINTAIN A COMPREHENSIVE LIST AND DESCRIPTION OF RESOURCES AVAILABLE WITHIN THE AREA TO ASSIST SMALL BUSINESS PERSONS;
- MAINTAIN ADEQUATE PHYSICAL FACILITIES TO SUPPORT INDIVIDUAL CONSELING, GROUP MEETINGS, CONFERENCES, AND WORKSHOPS.

NINETEEN OTHER STATES HAVE ONE . . . WHY NOT ILLINOIS?

RECOMMENDATIONS

- CREATE A FAVORABLE BUSINESS CLIMATE THROUGH BROAD COMMUNITY SUPPORT AND UNDERSTANDING
- FORM INDUSTRY-LABOR-EDUCATION-COMMUNITY COLLABORATIVE COUNCILS
- ENGAGE IN LABOR-MANAGEMENT DIALOGUE
- CONDUCT EDUCATION AND TRAINING
- ENCOURAGE LEGISLATIVE ACTION -- LOCAL, REGIONAL, AND STATE LEVELS

MAJOR PROJECT ACTIVITIES

1. Conduct program to train educators how to design and market their programs for commerce and industry.
2. Conduct research on the role of education in Economic Development with emphasis on Community Colleges and Universities.
3. Cooperative Projects between Northern Illinois University and Community Colleges.
4. Establish an Economic Development Task force
 - a. Joint programs Education/Commerce/Industry
 - b. Cooperative programs
 - c. Higher Education and Small Business Cooperation
 - d. Curriculum Development
5. Create and conduct programs for training local Economic Development Personnel.
6. Conduct focus group research to determine needs of local economic development agencies.
7. Provide Marketing Research Assistance to aid five communities determining competitive advantages.
8. Conduct 4 Marketing seminars to improve economic conditions.
9. Help establish Small Business Development Center.
10. Develop and Submit Additional Proposals
 - a. Model for forecasting business success/failure
 - b. Forecasting on a quarterly basis
 - c. Micro-computer software package
 - d. Needs of older workers and pre-retirement training
11. Institutionalize Presidential Economic Commission for Economic Development
 - a. Computerized faculty research and technical assistance
 - b. Master plan for region
12. Graduate Programs in Economic Development.
13. Community Technical Assistance.
14. Work with the Department of Commerce and Community Affiliars to "Package Loans" and improve financing process.
15. Hold Annual Economic Development Symposiums for Decision-Makers.
16. Work with the Illinois Commission for Economic Development to improve conditions for Commerce/Industry.
17. Recommend to the Illinois Board of Higher Education the creation of the additional Communi-University Based Regional Centers.
18. Train three Universities to become Regional Economic Development Centers.
19. Project Director and Staff serve as Consultants.

